THIS SUPPLEMENTAL AGREEMENT SHALL BE BINDING UPON THE PORT AUTHORITY UNTIL DULY EXECUTED BY AN EXECUTIVE OFFICER THEREOF AND DELIVERED TO THE LESSEE BY AN AUTHORIZED REPRESENTATIVE OF THE PORT AUTHORITY

Port Authority Lease No. AYB-085R
Supplement No. 3
John F. Kennedy International Airport

THIRD SUPPLEMENTAL AGREEMENT

THIS THIRD SUPPLEMENTAL AGREEMENT, made as of December 1, 2005 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and AMERICAN AIRLINES, INC. (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee as of the first day of August, 1976 entered into an agreement of lease bearing Port Authority agreement number AYB-085 covering certain premises at John F. Kennedy International Airport (hereinafter called the "Airport") as therein set forth, which agreement of lease, as amended, supplemented and modified, was further amended, supplemented and modified, and restated, in an Amended and Restated Agreement of Lease made as of the 22nd day of December, 2000 and bearing Port Authority Agreement No. AYB-085R (said agreement of lease as heretofore amended, supplemented, modified and restated is hereinafter called the "Lease"); and

WHEREAS, the Lessee and U.S. Helicopter Corporation (hereinafter called "USH"), a corporation organized under the law of the State of Delaware, with an office and place of business at Sikorsky Memorial Airport, Main Terminal, Second Floor, 1000 Great Meadow Road, Stratford, Connecticut, 06615, have entered into a proposed Interline Traffic Agreement, dated August 5, 2005, a copy of which is attached hereto and hereby made a part hereof (hereinafter called the "ITA");

WHEREAS, the Port Authority and the Lessee desire to amend the Lease as provided herein;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. Amendment to Section 75 of the Lease, "Helicopter Operations"

Section 75 of the Lease, entitled "Helicopter Operations", is hereby deleted in its entirety and the following is inserted in its place:

"Section 75. Helicopter Operations

(a) Effective ~~December 1, 2005~~ March 27, 2006 the Port Authority hereby grants to the Lessee the privilege of permitting the use of the helipad portion of the Premises by USH, located on the ramp between Gates 43 and 45 of Terminal 8 as shown in stipple and outlined in broken lines on "Exhibit 75" attached hereto and hereby made a part hereof, for the sole purpose of landing and take-off of helicopters to discharge or pick up passengers, business guests and invitees of the Lessee. The helicopter operations by USH shall be in compliance with all the terms and provisions of the Lease and with the Rules and Regulations of the Port Authority. The Lessee shall be completely responsible for all acts and omissions of USH as if said acts and omissions were the acts or omissions of the Lessee.

(b) The Port Authority shall have the right to cancel the privilege granted to the Lessee as set forth in paragraph (a) hereof at any time and without cause upon thirty (30) days' written notice to the Lessee, and upon the effective date of such notice the Lessee shall no longer have the right to permit USH or any other entity to use the Premises as herein above provided, but the same shall not affect the Lease or any of the terms, rentals, fees, provisions or agreements hereof, all of which shall continue in full force and effect.

(c) The ITA is an agreement between the Lessee and USH with respect to the various matters set forth therein. Nothing contained herein shall constitute an agreement between the Port Authority and the Lessee that the provisions of the ITA shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, provisions, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative."

2. Amendment to Section 13 of the Lease, "Indemnity and Liability Insurance"

Section 13 of the Lease, entitled "Indemnity and Liability Insurance", is hereby amended as follows:

Effective December 1, 2005, the Minimum Limit of dollar amount of "$100,000,000.00" for Commercial General Liability in paragraph (b) (1) shall be deemed deleted and the dollar amount of "$300,000,000.00" shall be deemed substituted in lieu thereof.

3. Except as hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

4. The Lessee and the Port Authority each represent and warrant to the other that no broker has been concerned in the negotiation of this Third Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. Each party shall indemnify and save harmless the another of and from all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Third Supplemental Agreement.

5. No Commissioner, director, officer, agent or employee of any party to this Third Supplemental Agreement shall be charged personally or held contractually liable by or to the other party under any term or condition of the Lease or of any supplement, modification or amendment to the Lease or because of any breach thereof, or because of its execution or attempted execution thereof.

6. This Third Supplemental Agreement, together with the Lease (to which it is supplementary) constitutes the entire agreement between the Port Authority and the Lessee 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 Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Third Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:

(Title) David Kagan
Assistant Director
Business, Properties & Airport Development

(Seal)

ATTEST:

Secretary

Charles D. MarLett

AMERICAN AIRLINES, INC.

By:

(Title) LAURA A. ERNSTMEIER
Vice President
Corporate Real Estate

(Corporate Seal)

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

PDN/dmt

August 5, 2005

Mr. Donal McSullivan
Senior Vice President and Chief Marketing Officer
US HELICOPTER CORPORATION
Downtown Manhattan Heliport, Pier 6, East River
New York, NY 10004

Dear Donal,

Re: Interline Traffic Agreement ("Agreement") between
American Airlines, Inc. ("American") and
US Helicopter Corporation ("US Helicopter")

This letter confirms that American Airlines, Inc. and US Helicopter Corporation have agreed to the following, with effect for transactions beginning on the first date of US Helicopter scheduled services:

1. All dealings of the parties with respect to transportation services which are the subject of the MITA-P (as hereinafter defined) shall, except to the extent prohibited by applicable law or as otherwise provided herein, be governed by the MITA-P, other than the administrative provisions of Article 10 thereof, as if each of the parties hereto had become a party to the MITA-P effective as of the date hereof. If a party would be considered a "non-IATA airline" or "associate member of IATA" (as such terms are used in the MITA-P), the terms of the MITA-P shall be applied in the dealings of the parties hereto as if such party became a party to the MITA-P in such capacity.

For purposes of this Agreement, "MITA-P" means the IATA Multilateral Interline Traffic Agreement - Passenger, attached hereto as Exhibit A and incorporated herein by this reference, as amended from time to time as provided below. For the avoidance of doubt, the parties agree that (i) IATA Resolutions and Recommended Practices referred to in the MITA-P shall govern their dealings if and to the extent such resolutions and practices would have applied had the parties become parties to the MITA-P through the administrative provisions of Article 10 thereof, and (ii) the parties shall be deemed to have concurred in and adopted all amendments which may hereafter be made to the MITA-P pursuant to Article 10.4 thereof, unless a party hereto provides written notice to the other party of non-acceptance of such amendment within thirty days from the date the text of such amendment is first mailed to parties to the MITA-P pursuant to such Article 10.4. It shall be each party's responsibility to procure copies of the respective IATA Resolutions and Recommended Practices and any such amendments to the MITA-P as stated in and for purposes of the previous sentence. Terms used but not defined herein shall have the respective meanings ascribed thereto in the MITA-P.

2. Neither party may issue Tickets, MCOs, or other traffic documents for flights operated by the other party. Any reference in the MITA-P to the acceptance by either party of documents issued by or on behalf of the other party shall be superseded by the terms described in this Agreement.

3. As Receiving Airline at a transfer point, each party reserves the right to establish by written notice to the Delivering Airline an exceptional minimum connecting time that is greater than the otherwise applicable time required for the interline transfer of passengers and their accompanied baggage. The Delivering Airline shall immediately confirm acceptance of this exceptional connecting time to the Receiving Airline and applicable industry contacts as defined in governing IATA resolutions.

4. Until US Helicopter becomes a member of Airlines Clearing House, Inc., settlement of amounts due between the parties, including for obligations between US Helicopter and American's corporate affiliates, shall be made directly, on a net offset basis, accomplished on a monthly basis using the procedures defined in the Airlines Clearing House "Manual of Procedure", which are hereby included and made a part of this Agreement, to the extent applicable.

Termination

5. The provisions of the MITA-P notwithstanding, either party may terminate this Agreement for any or no reason upon three days' written notice to the other party.

6. If either party suspends its scheduled passenger operations in whole or in substantial part, or if either party files for protection from creditors under bankruptcy or receivership laws, or if either party should become involved voluntarily or involuntarily in proceedings to declare it bankrupt, the other party may, upon written notice, terminate this Agreement with immediate effect.

7. If the parties settle through a clearing house, this interline traffic agreement shall automatically terminate if either party is suspended from the clearing house for failure to pay its monthly settlement. The date of termination shall be reflected as the date of the clearing house suspension. Furthermore, if either party voluntarily withdraws from participation in the clearing house settlement procedures, it shall immediately inform the other party thereof and the other party may, upon written notice, terminate this Agreement with immediate effect.

8. If either party is delinquent in its payment, either directly or via the clearing house, the other party may with two days written notice cancel the interline traffic agreement. If payments are late, or either party has reason to believe that payments of the other party are likely to be late, either party may, in lieu of terminating the agreement, immediately require the other party to post a bond, in a form and amount satisfactory to the party initiating the request for a bond, guaranteeing payment of all amounts due under this agreement.

9. Termination of this Agreement will not relieve either party from obligations incurred hereunder before the effective date of such termination.

Other

10. Except as required by applicable law, all terms and conditions of this Agreement shall be treated as strictly confidential by US Helicopter and American.

11. Neither American nor US Helicopter makes any representation to any party whatsoever concerning the revenues to be derived by US Helicopter or American under this Agreement.

12. This Agreement shall be governed by the laws of the State of Texas. Article 9 of the MITA-P shall not apply to any disputes or claims concerning the scope, meaning, construction, or effect of this Agreement or arising therefrom and the parties hereby submit and consent to the exclusive jurisdiction of the United States District Court for the Northern District of Texas, Fort Worth Division, and the District Court of Tarrant County, Texas in any dispute arising out of this Agreement.

If the foregoing is acceptable to US Helicopter, please indicate your concurrence by signing and dating each of the duplicate originals of this letter in the space provided below.

Sincerely,

AMERICAN AIRLINES, INC.

Timothy A. Skanse
Managing Director,
International Planning

US Helicopter Corporation

Signed:

Name: DONAL McSULLIVAN

Title: SENIOR V.P. & CHIEF MARKETING OFFICER

Date: August 5TH 2005

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EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

For the Port Authority of NY & NJ

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

On the 20TH day of JUNE in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID KAGAN, 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.

Gail E. Mitchell
(notarial seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01MI6026210
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES JUNE 14, 2007

For American Airlines, Inc.

STATE OF)
) ss.
COUNTY OF)

On the 21ST day of March in the year 2006, before me, the undersigned, a Notary Public in and for said state, personally appeared Laura Ginspanizer, 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.

Rowena Thom
(notarial seal and stamp)

ROWENA THOM
Notary Public, State of Texas
My Commission Expires 10-26-08

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
New York, New York

$500,000,000
Special Facility Revenue Bonds, Series 2002
(American Airlines, Inc. John F. Kennedy International Airport Project)

RECORD OF PROCEEDINGS

July 31, 2002

Winston & Strawn
200 Park Avenue
New York, New York 10166

VOLUME I

INDEX OF CLOSING DOCUMENTS

Document Number

1. Basic Lease.
2. Port Authority Lease and First Supplemental Agreement to Port Authority Lease (certified by American Airlines, Inc.).
3. First Supplemental Agreement to Port Authority Lease.
4. Agreement Towards Entering into a Lease.
5. Recognition, Non-Disturbance and Attornment Agreement.
6. Consent to Subleases and Leasehold Mortgage Agreement.
7. Company Sublease Agreement.
8. IDA Lease Agreement.
9. Master Indenture of Trust.
10. First Series Supplemental Indenture of Trust.
11. Second Series Supplemental Indenture of Trust.
12. American Airlines, Inc. Guaranty.
13. AMR Corporation Guaranty.
14. Form of Leasehold Mortgage and Security Agreement.
15. Equipment Security Agreement.
16. Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986.

    Exhibit A
    Certificate Regarding Qualification as Exempt Facility Bonds.

    Exhibit B
    Issue Price Certificate.

    Exhibit C
    Form 8038.

DOCUMENTS DELIVERED BY THE
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency")

17. Copies of Chapter 1030 of the 1969 Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended.

18. Certificate as to establishment of the Agency and as to appointment of the members thereof.

19. General Certificate (as required by Section 9(d)(4) of the Bond Purchase Agreement).

Exhibit A

By-Laws of the Agency.

Exhibit B

Inducement and Authorizing Resolutions.

Exhibit C

Specimen Bonds.

Exhibit D

Notice and Minutes of Public Hearing.

20. Mayor's Approval of the Series 2002 Bonds.

21. Written Order to authenticate and deliver the Series 2002 Bonds.

22. Letter of Representation from the Agency (the "DTC Letter").

23. Letter from the Agency relating to the exemption of the Leasehold Mortgage from recording taxes, as required by Section 9(d)(23) of the Bond Purchase Agreement.

DOCUMENTS DELIVERED BY AMERICAN AIRLINES, INC.

24. Certificate of Secretary of American Airlines, Inc.

Exhibit A

Restated Certificate of Incorporation certified by an authorized officer of American Airlines, Inc.

Exhibit B

Bylaws

Exhibit C

Delaware Good Standing Certificate dated within 30 days of the date hereof

Exhibit D

Resolutions adopted by the Board of Directors of American Airlines, Inc. authorizing the financing

Exhibit E

Certificate re: Authority of American Airlines, Inc. to do business in New York

Exhibit F

Incumbency Certificate

25. Certificate of an authorized officer of American Airlines, Inc., as required by Section 9(d)(5) of the Bond Purchase Agreement.

26. Letter from Ernst & Young LLP, Auditor, as required by Section 9(d)(18) of the Bond Purchase Agreement.

27. Certificate as to insurance, as required by the IDA Lease Agreement and as required pursuant to the Agreement Towards Entering into a Lease, with certificates of insurance required by Section 4.4 of the IDA Lease Agreement.

DOCUMENTS DELIVERED BY AMR CORPORATION

28. Certificate of Secretary of AMR Corporation

Exhibit A

Composite Certificate of Incorporation, certified by an authorized officer of AMR Corporation

Exhibit B

Bylaws

Exhibit C

Delaware Good Standing Certificate dated within 30 days of the date hereof

Exhibit D

Resolutions adopted by the Board of Directors of AMR Corporation authorizing the AMR Documents

Exhibit E

Incumbency Certificate

29. Certificate of an authorized officer of AMR Corporation, as required by Section 9(d)(6) of the Bond Purchase Agreement.

DOCUMENTS DELIVERED BY THE BANK OF NEW YORK

30. Letter of Acceptance.

31. Certificate as to receipt of documents, incumbency and authentication, delivery, payment, receipt and application of Bond proceeds, as required by Section 9(d)(7) of the Bond Purchase Agreement.

DOCUMENTS DELIVERED BY THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (the "Port Authority")

32. Certificate of an authorized official of the Port Authority, as required by Section 9(d)(19) of the Bond Purchase Agreement

UNDERWRITING DOCUMENTS

33. Preliminary Official Statement.

34. Official Statement.

35. Blue Sky Memorandum.

36. Continuing Disclosure Undertaking.

37. Cross-Receipt.

38. Bond Purchase Agreement.

OPINIONS

39. Approving Opinion of Winston & Strawn, as required by Section 9(d)(8) of the Bond Purchase Agreement, with reliance letter.

40. Supplemental Opinion of Winston & Strawn, as required by Section 9(d)(10) of the Bond Purchase Agreement.

41. Opinion of the Agency's Vice President for Legal Affairs, as required by Section 9(d)(9) of the Bond Purchase Agreement.

42. Opinions of Anne H. McNamara, Counsel to American Airlines, Inc. and AMR Corporation, as required by Section 9(d)(13)(a) of the Bond Purchase Agreement.

43. Opinion of Chapman and Cutler, Counsel to the Underwriter, as required by Section 9(d)(14) of the Bond Purchase Agreement.

44. Opinion of Emmet, Marvin & Martin, LLP, Counsel to the Trustee, as required by Section 9(d)(15) of the Bond Purchase Agreement.

45. Opinion of Debevoise & Plimpton, Counsel to American Airlines, Inc. and AMR Corporation, as required by Section 9(d)(13)(b) of the Bond Purchase Agreement.

MISCELLANEOUS

46. UCC-1 Financing Statements.

47. Sales Tax Letter.

48. Consent of Simat, Helliesen & Eichner, as required by Section 9(d)(20) of the Bond Purchase Agreement.

49. Copy of Agency leasehold title insurance policy as required by Section 2.6 of the IDA Lease Agreement.

50. Confirmation of Bond Rating of B1 by Moody's Investors Services, Inc. and of BB- by Standard & Poor's Corporation, as required by Section 9(b)(12) of the Bond Purchase Agreement.

51. Second Amended and Restated Preliminary Sales Tax Letter.

52. Amendment No. 2 to Preliminary Project Agreement.

53. Requisitions 2002 -1, 2 & 3

Agreement, made this 17th day of April, 1947, by and between The City of New York, a municipal corporation of the State of New York with its principal office at the City Hall, in the Borough of Manhattan, City of New York, (hereinafter called the "City"), and The Port of New York Authority, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of Congress with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York, (hereinafter called the "Port Authority").

Whereas, the City and Port Authority are agreed that the improvement, development, operation and maintenance of Idlewild Airport, LaGuardia Airport and Floyd Bennett Field by the Port Authority and at its expense will be in the public interest, and

Whereas, by chapters Eight hundred two and Forty-three, respectively, of the Laws of New York and the Laws of New Jersey of 1947, said two states have declared it to be their policy to encourage the integration of air terminals within the Port of New York District so far as practicable in a unified system, and in furtherance of said policy have authorized the Port Authority to improve, develop, operate and maintain air terminals, and have authorized and empowered cities and other municipalities in the Port of New York District to consent to the use by the Port Authority of any air terminals owned by them and of any real and personal property owned by them, and

Whereas, the City, by resolution duly adopted by its Board of Estimate on the 17th day of April, 1947, (Cal. No. 5) authorized the execution and delivery of this agreement, and

Whereas, by resolution duly adopted by its Board of Commissioners on the 17th day of April, 1947; the Port Authority authorized the execution and delivery of this agreement,

Now, Therefore, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns as follows:

1. Definitions

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

"MAP I", "MAP II" and "MAP III" shall mean the maps annexed hereto marked Map I, Map II and Map III.

"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.

"Demised premises" shall mean (a) the lands shown in green on Map I, Map II, and subject to the provisions of section 29 hereof, Map III annexed hereto; (b) the buildings, structures and other improvements thereon; (c) all items of personal property now owned by the City and listed in the schedule "C" hereto annexed; (d) such other parcels of property, easements and interests in land as are listed in schedule "A" hereto annexed; (e) additional and after acquired property as well as improvements thereon and equipment used exclusively in connection with the operation of the municipal air terminals and purchased or acquired for municipal air terminal purposes.

"LaGuardia Airport" shall mean an air terminal situated upon the portion of the demised premises shown in green upon Map I and upon such premises contiguous thereto as may be acquired by or in the name of either party for use in connection with that portion of the demised premises.

"Idlewild Airport" shall mean an air terminal situated upon the portion of the demised premises shown in green upon Map II and upon such premises contiguous thereto as may be acquired by or in the name of either party for use in connection with that portion of the demised premises.

"Floyd Bennett Field" shall mean an air terminal situated upon the portion of the demised premises shown in green upon Map III, and upon such premises contiguous thereto as may be acquired by or in the name of either party for use in connection with that portion of the demised premises.

"Municipal air terminals" shall mean Idlewild Airport, LaGuardia Airport and Floyd Bennett Field.

"Bonds issued for municipal air terminal purposes", shall mean bonds, notes, securities or other obligations or evidences of indebtedness of the Port Authority (including refunding issues) issued by it to provide funds for the effectuation, establishment, construction, rehabilitation, improvement, maintenance or operation of the municipal air terminals, and for purposes incidental thereto, including without limiting the generality hereof, the acquisition of such contiguous premises, the acquisition of air space for approach zones, transition zones and turning zones, and

the establishment, maintenance and operation of beacons or other aids to avigation at sites removed from such air terminals. The proceeds of such bonds shall be used solely for such purposes.

"Approach zones", "transition zones", and "turning zones" shall mean approach zones, transition zones and turning zones (for aircraft at runways at air terminals) having the dimensions and other characteristics shown on Drawing No. 672, dated September 1, 1946, of the Office of Airports of the Civil Aeronautics Administration of the United States Department of Commerce, a copy of which is annexed hereto.

"Gross operating revenue", shall mean gross operating revenues of the Port Authority from the municipal air terminals from whatever source derived.

"Net operating revenue" shall mean the amount remaining after deducting the following items from the gross operating revenue:

(a) The expense of the Port Authority directly attributable to the operation and maintenance of the municipal air terminals (other than the rent payable to the City by the Port Authority for the demised premises and general administrative expenses.) No deduction, allowance, or provision for depreciation is to be included in the expenses of operation and maintenance.

(b) Ten per cent of such operating and maintenance expense for administration.

(c) Interest at the coupon or stated rate upon outstanding Port Authority bonds issued for municipal air terminal purposes.

(d) Amounts required to be paid into sinking funds annually for the redemption of sinking fund bonds issued for municipal air terminal purposes.

(e) Amount required for serial maturities of bonds issued for municipal air terminal purposes.

(f) Amortization (upon a twenty year basis) of Port Authority funds, but not interest, (other than bond proceeds or federal or state grants) expended upon capital improvements at the municipal air terminals.

"Annual net revenue" shall mean net operating revenue computed upon a calendar year basis.

"Plane movement" shall mean either the landing or the taking off of an aircraft, and the landing and taking off of an aircraft shall be deemed to constitute two plane movements.

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2. Lease of Demised Premises

The City hereby demises and leases to the Port Authority, and the Port Authority does hereby take and hire from the City for air terminal purposes and for purposes incidental thereto the following property: (a) the lands shown in green on Map I, Map II and subject to the provisions of section 29 hereof, Map III annexed hereto, excepting therefrom, however, the parcels designated on said Map II as 5, 6, and 7, possession of which parcels shall be given to the Port Authority upon vesting of title thereto in the City, but the failure to give such possession prior to the vesting of title shall in no way affect the rental to be paid hereunder as hereinafter provided; (b) the buildings, structures and other improvements thereon; (c) all items of personal property now owned by the City and listed in the Schedule "C" hereto annexed; (d) such other parcels of property, easements and interests in land as are listed in Schedule "A" hereto annexed; (e) additional and after acquired property as well as improvements thereon and equipment used exclusively in connection with the operation of the municipal air terminals and purchased or acquired for municipal air terminal purposes; all of which the Port Authority shall have and hold for and during the term hereinafter specified.

The City hereby consents to the use of the demised premises for the purposes herein stated.

If within ten (10) years from the date of this agreement the construction of Nassau Expressway has been authorized and actually started, the Port Authority hereby consents to the reduction of the demised premises to the extent of all or any part of the strip shown on Map II and marked "future Nassau Expressway" without any reduction of rent, subject however, to the provision that the northerly boundary of the municipal air terminal shown on Map II shall run along Nassau Expressway and that access between the Expressway and the demised premises shall be provided at at least two points along the same and that a traffic interchange shall also be provided at a third point along the same.

3. Term

The term for which the demised premises are leased shall commence on the first day of June, 1947, subject to the provisions hereafter set forth in section 12, and shall expire on the day when all of the bonds issued by the Port Authority for municipal air terminal purposes shall have been paid; provided, that for the purpose of determining the date of the expiration of said term, matured bonds not presented for payment at the date of maturity and called bonds not presented for payment at the date set for redemption, shall be considered as paid.

The Port Authority shall not issue any bonds for Municipal Air Terminal purposes maturing later than May 31, 1997 and any bonds so issued and maturing subsequent to May 31, 1997 shall not be taken into consideration in determining the date of the expiration of said term.

Upon the expiration or sooner termination of said term the Port Authority covenants and agrees that it will give up, surrender and deliver to the City the demised premises together with all buildings, structures and improvements thereon, as well as all personal property, furniture, fixtures and other equipment contained therein and used exclusively in connection with the operation of the municipal air terminals, the intent being that when the demised premises are returned to the City such premises shall be in good condition as operating airports, depreciation, obsolescence, ordinary wear and tear excepted, all of which shall be free and clear of any and all liens, debts or encumbrances of whatsoever kind, nature and description.

4. RENT

The Port Authority shall pay to the City as rent for the demised premises for each calendar year, either (a) a minimum annual rent which, for the period from June 1, 1947 to December 31, 1956, shall be at the rate of $350,000 per year and which for the balance of the term for which the demised premises are leased shall be at the rate of $450,000 per year, or (b) in the alternate, but only under the circumstances hereinafter specified, a percentage of the net revenue of the municipal air terminals.

If the net operating revenue of the municipal air terminals for a period from June 1, 1947 through the last day of any calendar year, less the aggregate rent for the period, shall exceed five per cent (5%) of the total of the following two amounts, to wit:

(1) the principal amount of all Port Authority bonds issued for municipal air terminal purposes (except for hangars, shops and related facilities [other than general purpose hangars, shops and related facilities] and gasoline distribution systems and related facilities) and outstanding on the last day of such calendar year, less the assets of any sinking fund established for the redemption of sinking fund bonds issued for municipal air terminal purposes, and

(2) the aggregate amount of interest payable on such bonds at their coupon or stated rate from the last day of such calendar year to the date of their

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maturity, less interest on such sinking fund assets for the same period at the same rate,

then the rent to be paid by the Port Authority for the succeeding calendar year, shall be either the minimum rent hereinbefore specified or seventy-five per cent (75%) of the annual net revenue for such succeeding calendar year (whichever is greater).

For the purpose of computing rents, revenues and expenses, any revenues received or derived by the Port Authority from properties contiguous to the demised premises, and used by it for air terminal purposes, and any expenses incurred by it in the operation and maintenance of such contiguous properties, and any income derived or expenses incurred in connection with beacons, guides or other aids to avigation acquired, owned or operated by it at sites away from the municipal air terminals, shall be deemed to be revenues and expense of the municipal air terminals.

The rent to be paid by the Port Authority for each year shall be due and payable to the City on or before January 31 of the following year.

No breach of any covenant, term or condition in this agreement shall excuse the Port Authority from the prompt payment of the rent herein reserved.

5. REPAIRS

The Port Authority shall take good care of the demised premises together with all improvements, fixtures and personal property therein, whether now on the premises or hereafter added, and shall make all necessary repairs, inside and outside, structural or otherwise, so as to maintain and preserve them in good order and condition and keep the demised premises as operating airports in good condition, ordinary wear and tear excepted.

6. PERSONAL PROPERTY

The Port Authority shall have the right to use all of the equipment and personal property located at the demised premises and listed in Schedule C hereto annexed, . . . any and all equipment and personal property acquired or intended for installation or use at the demised premises whether contained therein or stored elsewhere.

It Is Understood And Agreed that such personal property is expendable and the Port Authority shall have no obligation to replace the same and any such personal

property which may become worn out or obsolete may be disposed of by the Port Authority in its discretion.

The Port Authority shall, however, replace such equipment as may be required to keep the demised premises operating as going airports. All equipment used exclusively in connection with the operation of the demised premises as municipal air terminals and purchased or acquired for municipal air terminal purposes shall be turned over and become the property of the City upon the termination of this agreement.

7. Assignment and Mortgages

The Port Authority shall not assign, mortgage, pledge, hypothecate, or encumber this agreement or any part thereof or sublet the demised premises or one or more of the municipal air terminals in its or their entirety. In the event this lease is assigned, pledged, mortgaged, hypothecated, or encumbered in any way, or 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 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.

The Port Authority may sublet or sublease parts of the demised premises for the purposes set forth in Section 2 hereof and enter into other agreements with third persons for the use thereof for such purpose. This consent shall not, however, include the right to sublet the entire demised premises or to sublet one or more of the municipal air terminals in its entirety.

Nothing in this section contained shall prevent the Port Authority from pledging, in whole or in part, the revenues of the municipal air terminals other than the rent payable to the City, as security for the payment of bonds issued for municipal air terminal purposes and for the fulfillment of other obligations assumed by it, to or for the benefit of the holders of such bonds, or from making such bonds a lien or charge upon such revenues.

8. Accounts

The Port Authority shall keep separate books, records and accounts in regard to the financing, refinancing, construction, operation, and maintenance of the demised

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premises, and the Comptroller of the City of New York and his designated representatives shall have the right to inspect such books, records, and accounts during regular business hours. The Port Authority shall deliver to the Comptroller of the City on or before the 31st day of January of each and every year of the term hereof a complete report and accounts in regard to the financing, refinancing, construction, operation and maintenance of the demised premises and shall also furnish a copy of any audit report made by the internal auditors of the Port Authority or by independent accountants relating to the municipal air terminals or the demised premises.

9. FINANCING AND DEVELOPMENT OF AIR TERMINALS

The Port Authority shall be obligated to provide from the proceeds of the sale of its bonds or other available funds, such amounts as may be necessary to rehabilitate, expand, improve and develop the municipal air terminals, up to the sum of $198,500,000 in the aggregate, including cost of hangars, (the intent hereof being that the Port Authority shall not be obligated to make capital expenditures in the three municipal air terminals aggregating in excess of that amount) but the Port Authority shall have the right in its discretion to issue bonds and to make expenditures in excess of that amount for air terminal purposes in connection with the municipal air terminals.

None of the bonds issued by the Port Authority shall be a lien or charge upon the demised premises.

Subject to the foregoing, the Port Authority shall rehabilitate, expand, improve, and develop the municipal air terminals as first-class modern air terminals. To this end it shall do, among other things, the following in accordance with modern engineering procedure:

(a) Restore and retain at proper elevation the eastern portion of LaGuardia Airport.

(b) Extend and improve a runway or runways at LaGuardia Airport to the extent necessary to keep the field in operation during the restoration of the eastern portion thereof.

(c) Construct a new and enlarged terminal building and terminal area for LaGuardia Airport.

(d) Develop Idlewild Airport as a multiple runway field with a capacity of 1,000 plane movements per day, and provide therein such new runway or runways as may be desirable for instrument operations.

(e) Construct such building or buildings at Idlewild Airport as may be necessary for international and domestic terminals and for office space.

(f) Provide other necessary facilities for the accommodation of aircraft and for the loading, unloading, transfer, and interchange of passengers and cargo and for the use and convenience of operators and passengers.

Prior to June 1, 1954, the Port Authority shall expend a minimum of $100,000,000 (based on March 1947 construction costs) for the foregoing purposes and for other air terminal construction purposes at or in connection with the municipal air terminals, exclusive of the construction of hangars, shops and related facilities (other than general purpose hangars, shops and related facilities) and the gasoline distribution systems and related facilities.

To determine whether the Port Authority has complied with this provision, the amount of its expenditures for said purposes shall be converted to a March 1947 basis, using the yearly average Engineering News Record Construction Cost Index. This conversion shall be made at the end of each calendar year by applying the aforesaid yearly index to the total amount of such expenditures during that year.

Title to all buildings, structures, and additions made or added to the demised premises by the Port Authority or any of its subtenants shall vest in the City immediately upon annexation, except where leases, permits, licenses or other agreements provide that title thereto shall remain in lessees, permittees or other third persons.

Bonds issued by the Port Authority for municipal air terminal purposes 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.

10. COMPETITIVE FACILITIES

During the term for which the demised premises are leased, The City shall not, except as hereinafter provided, promote, finance, establish, construct, operate, or maintain 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 passen-

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gers, 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. This prohibition shall not apply to the existing seaplane bases at the foot of 23d Street and the foot of Wall Street, Borough of Manhattan, until January 1, 1950; and shall not apply to other privately owned or operated airplane runways, landing areas, seaplane bases, or other facilities for the landing or taking off of aircraft, already existing under permits heretofore granted by the City, provided the capacity and type of use of such privately owned or operated facilities are not substantially increased or changed.

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; nor the right to regulate such further local facilities, particularly helicopter landing sites and seaplane bases, as may be required in the public interest.

During the term for which the demised premises are leased the Port Authority shall not promote, finance, establish, construct, operate or maintain within the limits of the City any airplane runways, landing areas, or other facilities for the landing or taking off of aircraft without the 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.

11. GARBAGE REMOVAL, SNOW REMOVAL, POLICE AND FIRE PROTECTION

(a) The Port Authority shall collect garbage and refuse at each of the municipal air terminals and deposit the same at central deposit points within each of such air terminals as may be agreed upon between the parties. The City shall collect and remove the garbage and refuse from such central deposit points.

(b) The City shall not 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.

(c) The Port Authority will provide police for patrolling, for guarding and for traffic control in the demised premises, and equipment and personnel for aircraft crash and rescue work. The City will have no responsibility for maintaining fire

or police personnel in the demised premises. The City agrees that its Police Department will 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 that its Fire Department will respond to calls to put out structural fires and handle emergencies.

12. Operating Contracts

The lease of the demised premises is subject to the leases, permits, contracts, and agreements listed on Schedule B annexed hereto; and the City hereby assigns and transfers to the Port Authority, as of June 1, 1947, all its right, title, and interest in and to said leases, permits, contracts, and agreements, together with any and all deposits and rents prepaid thereunder, and the Port Authority hereby assumes the obligations of the City thereunder not including, however, any claims arising prior to June 1, 1947, except as hereinafter provided. The City shall pay over to the Port Authority all such deposits and prepaid rents under or in connection with said leases, permits, contracts, and agreements ten days after the commencement of the term of this lease, except as hereinafter provided on Schedule E.

This assignment includes any and all rights or causes of action now existing in favor of the City against any person or persons, firm or corporation arising out of any of the leases, permits, contracts, and agreements hereby assigned. All collections arising out of the causes of action so assigned shall be and become revenues of the municipal air terminals.

The Port Authority shall be responsible for and shall indemnify the City and hold it harmless from all claims arising out of or in respect to all leases, permits, licenses, contracts and agreements listed on Schedule B where such claims arise on or after June 1, 1947. The City, however, shall be responsible for and shall indemnify the Port Authority for and hold it harmless from any claims arising out of acts done or omitted to be done by the City in respect to any contracts, leases, licenses or permits relating to the demised premises not referred to in Schedule E, prior to June 1, 1947.

This agreement is dependent upon the delivery to the Comptroller of the City, on or before May 31, 1947, of consents and releases in substantially the form annexed hereto and marked Schedule F, duly executed by the persons, firms or corporations listed on Schedule E, consenting to the assignment of the leases or agreements between such persons, firms or corporations and the City and releasing the City from any and all claims arising out of such leases or agreements. Such con-

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sents and releases shall be subject to the approval of the City and of the Port Authority as to form, substance and manner of execution, which approval may be given by the Port Authority through its Chairman, Vice Chairman or Executive Director and of the City by its Corporation Counsel. If by the date hereinbefore specified, all of such consents and releases have not been delivered as aforesaid, then in that event this agreement shall be of no force or effect whatsoever and as though it were never entered into and the term herein provided for shall not begin; provided, that if any such consent and release approved as aforesaid shall thereafter prove to be invalidly executed, then this lease shall nevertheless be in full force and effect but the Port Authority shall indemnify the City against any claims by the person, firm or corporation on behalf of whom such release and consent purported to be signed arising out of the transactions recited in such release and consent.

Rentals, fees, and other payments due and prepaid under said leases, permits, contracts, and agreements shall be apportioned, allowed, and adjusted between the City and the Port Authority as of June 1, 1947.

In the event any rents, fees or other payments become due on or prior to June 1, 1947 and shall not have been paid to the City, then the Port Authority is authorized to collect the same on behalf of the City, and upon such collection, the amounts so collected shall be adjusted and the sums due shall be paid over to the City by the Port Authority.

The City agrees not to enter into any extension or renewal of any of such leases, permits, contracts and agreements, or to enter into any new leases, permits, contracts or agreements authorizing any use of the demised premises by any third person, except such as will by their terms terminate on July 31, 1947.

13. Sewer and Other Rights Reserved to the City

The parties recognize that there are presently located in the demised premises sewers, water mains, sludge lines, a sludge dock and a sludge tank, power lines, telephone and signal lines, the right to the maintenance of which is reserved in the City. For that purpose, the City and its duly designated officials and employees shall have the right at all times to enter upon the demised premises with men, equipment, trucks and vehicles for the purpose of making repairs, replacements, extensions and relocations as shall be necessary in the opinion of the City.

In the event the extension of any such sewers shall become necessary by reason of fill to be placed by the Port Authority, then and in that event such sewers shall be extended by the Port Authority at its own cost and expense in accordance with plans

and specifications approved by the President of the Borough where such facilities are located and the Chief Engineer of the Board of Estimate of the City and under the supervision of such officials.

In the event the City determines that it is necessary to relocate or except as above provided to extend any sewer, water main, or other facility owned and controlled by it within the demised premises, then the same shall be relocated or extended at the cost of the City, and at a place agreed upon between the City and the Port Authority. In the event, however, it becomes necessary to relocate any sewer, water main or other facility located within the demised premises belonging to the City because of any construction, fill or excavation, done or to be done by the Port Authority such relocation shall be done at the sole cost and expense of the Port Authority and upon plans and specifications approved by the President of the borough where such facilities are located, and the Chief Engineer of the Board of Estimate of The City of New York, and under the supervision of such officials.

The City further reserves the right to use Thurston Basin and Bergen Basin within the demised premises and shown on Map II as outlets for storm sewers, and the further right 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. The City shall perform any dredging work necessary to maintain Thurston and Bergen Basins in condition for such purposes. The Port Authority shall have the right to bulkhead the sides of the basins and dredge Thurston and Bergen Basins for navigation purposes if it so desires to do, and to use or permit their use for such purposes, but the City shall have no obligation to dredge or maintain them for those purposes.

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 not construct or demolish any building or structure or make any excavation which will in any way interfere with or affect the usefulness of any City-owned sewer, watermain or similar facility located within the demised premises and serving areas or property without the demised premises, without the consent of the President of the Borough or Boroughs within which such area or land outside of the demised premises is located and of the Chief Engineer of the Board of Estimate of the City.

14. WATER SERVICE

The City shall provide and maintain all water supply lines up to the perimeter of the demised premises necessary to serve the municipal air terminals. The

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Port Authority shall at its own expense, install and maintain such meter or meters as may be decided by the Department of Water Supply, Gas and Electricity as best suited for determining the amount of water consumed or used within such municipal air terminals, other than those for which provision is made in the contracts referred to in section 28 hereof which are to be completed by the City, and the Port Authority shall pay the City for all water so consumed at the City's established rates.

15. INSURANCE

The Port Authority hereby undertakes and agrees to indemnify and save the City harmless from any claims, causes of action or judgments, by reason of personal injuries sustained by any person or persons, including death, in the demised premises and for any claims for damages to property, and agrees to procure at its own expense insurance in companies permitted to do business in the State of New York, such liability insurance as will protect the City from any such claims, suits, demands or judgments which may arise from the operation, control or occupancy of the demised premises. Such liability insurance shall provide limits of at least $1,000,000 for property damage and limits of at least $200,000 for one person and $2,000,000 for more than one person injured or killed in any one occurrence.

The Port Authority further agrees to procure fire insurance with extended coverage endorsement on all buildings, structures, equipment and fixtures in or upon the demised premises used in connection with the operation of the municipal air terminals. Such policy shall cover the property to the extent of 80% of the value thereof, and cover the interests of both the City and the Port Authority. All policies shall provide that loss, if any, shall be payable to the Port Authority which shall hold the proceeds of all such insurance in a trust fund for the purpose of repairing or reconstructing any of the buildings, structures, equipment or fixtures damaged or destroyed by reason of any of the risks insured against by such policies or for the purpose of making other capital improvements to the municipal air terminals. In the event the proceeds of such insurance exceeds the cost of any such repair or reconstruction, or of the making of such capital improvements, such excess shall be paid to the City. If the Port Authority shall not commence such repairs, reconstruction or other capital improvement within one year from the date of receipt of the proceeds of such insurance, the same shall be paid over to the City. In the event such proceeds shall be insufficient, then the Port Authority shall make such repairs, replacement or reconstruction with other than operating funds.

Notwithstanding the foregoing provision of this section, in any case where an improvement on the demised premises is destroyed (the original cost of which was

to be amortized by rental payments from a tenant or lessee of the Port Authority) and is not replaced, the proceeds of so much of the insurance covering such improvement, together with any amounts set aside for the payment of bonds issued for municipal air terminal purposes attributable to such improvement, shall be applied to the payment of any such bonds then outstanding and interest thereon, and the remainder, if any, shall be paid to the City.

If any such bonds shall not be then redeemable, then the sums so paid to the Port Authority as herein provided, together with any amounts set aside for the payment of such bonds shall be held by the Port Authority in a special fund.

If, after the payment or redemption of all such bonds with interest, there shall remain any balance in such special fund, including any appreciation thereon, the Port Authority shall pay such balance to the City. The Port Authority shall not be liable to the City for any loss to such special fund by reason of the investment thereof, provided that such funds shall only be invested in bonds of the United States, the State of New York, the State of New Jersey, the City of New York, or bonds issued by the Port Authority for municipal air terminal purposes.

All policies or certificates thereof providing all of the aforesaid insurance, shall be delivered to the Comptroller of the City and the premiums fully paid by the Port Authority.

Subject to the foregoing, the City hereby assigns and transfers to the Port Authority as of June 1, 1947, all of its right, title and interest in and to any insurance covering the City which has been furnished to it under the aforesaid leases, permits, contracts and agreements, which policies of insurance shall be delivered by the City to the Port Authority on or before July 15, 1947.

10. Relocation of Tenants

There are presently existing within the demised premises shown on Map II various buildings occupied by residential tenants. Notwithstanding any other provision of this agreement the City shall continue to collect for its own account rent from such tenants so long as they remain in possession of the premises. The City shall when requested by the Port Authority take steps to remove or relocate all such tenants and may at its option remove all such residential buildings now on the demised premises. In the event of the removal or relocation of such buildings by the City, the City shall receive and retain the proceeds of the sale of any such building or buildings or any of the fixtures therein contained. Upon the removal of all such tenants, the Port Authority shall pay to the City $45,000. as its share of the cost of removing or relocating the aforesaid tenants or property.

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17. LEGISLATION

The Port Authority agrees that prior to January 31, 1948, it will recommend to the Governors and Legislatures of the States of New York and New Jersey, the adoption of legislation in the form set forth in Schedule D annexed hereto.

The Port Authority agrees that it will cooperate with the City in obtaining certificates of legislative intent to urge the enactment of such legislation from the majority and minority leaders of the Senate and Assembly of the States of New York and New Jersey.

18. FEDERAL AID

The City agrees to cooperate with the Port Authority, if so requested by the Port Authority, in making any necessary applications for and in securing any and all federal aid which may be obtainable for the municipal air terminals under any applicable federal laws.

19. ACQUISITION OF LANDS BY THE CITY

Condemnation proceedings have been initiated by the City to acquire the parcels numbered 1, 2, 3 and 4 on Map II, and title thereto has been already vested in the City, but the amounts to be paid to the prior owners as compensation therefor have not as yet been paid by the City. The City does not as yet have title to the Parcels Nos. 5, 6 and 7 on Map II, but it agrees to acquire by condemnation Parcel No. 5 on or before January 1, 1949, and to acquire by condemnation Parcels Nos. 6 and 7 on or before January 1, 1951. Upon the vesting of title thereto in the City, said Parcel Nos. 5, 6 and 7 shall become a part of the demised premises and shall be subject to all the terms and conditions of this Agreement.

As payments are made by the City to the prior owners, the Port Authority shall reimburse the City for the purchase price or awards and interest paid by it to such owners for the acquisition of said Parcels Nos. 1 to 7 inclusive, up to but not exceeding $4,000,000 in the aggregate on account of all seven parcels.

20. PHYSICAL CHANGES

Except as herein expressly provided in this Agreement, the Port Authority shall have the right to alter, change, remove, relocate or demolish any building, structure or improvement on the demised premises, to place fill upon or excavate the demised premises, to erect structures and improvements thereon or therein, and to make other physical changes thereon or therein.

21. Policy in Regard to City Ordinances and Regulations

In the rehabilitation, improvement, operation and maintenance 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 buildings and structures, and in regard to health and fire protection, which would be applicable if the Port Authority were a private corporation, to the extent that the Port Authority finds it practicable so to do, without interfering with, impairing or affecting the efficiency and economy of its 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. To that end, the Port Authority shall submit copies of the plans and specifications for buildings and structures to the appropriate City officials, and shall consult with them with respect thereto, and shall receive their comments and suggestions thereon.

22. Additional Lands and Interests Therein

The Port Authority shall immediately upon acquisition of any lands and improvements thereon or rights, easements or interests therein for use in extension of the municipal air terminals, or for use in maintaining airplane beacons, guides or other aids to avigation, convey the same to the City without consideration, and such property shall become part of the demised premises.

23. Condemnation or Acquisition by Others

In the event the demised premises or any part thereof, or the right and interest of the Port Authority hereunder in or to the demised premises or any part thereof shall be condemned, taken, or acquired by a body having superior power of eminent domain, then the compensation or award therefor shall be payable in accordance with the following provisions:

I. Out of said compensation or award there shall be paid to the Port Authority an amount equal to the sum of the following:

A. The amount required to redeem the Port Authority bonds, issued for municipal air terminal purposes and outstanding at the time title vests in the condemning power at the earliest dates after such decree or judgment when they

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may be called for redemption, or, if any such bonds are not subject to call, then the amount required to redeem them at their maturity; less the following three items:

(1) The assets of any sinking fund established for the redemption of sinking fund bonds issued for municipal air terminal purposes including interest thereon; and

(2) The proceeds remaining unexpended from the sale of any and all bonds issued for municipal air terminal purposes;

(3) Any cash set aside for redemption of bonds issued for municipal air terminal purposes.

B. The interest on such bonds from the last interest payment date prior to the vesting of title in the condemning power up to the date of such call or maturity, and

C. The call premium, if any; and

D. Any unamortized Port Authority funds other than bond proceeds or federal or state grants, expended for capital improvements at the municipal air terminals.

II. The balance, if any, of such compensation or award shall be paid to the City.

The amount paid to the Port Authority as provided for in this article shall, together with any funds remaining unexpended for municipal air terminal purposes from the proceeds of such bonds, be set aside in a special fund. If, after the payment or redemption of all of said bonds with interest and after the deduction of unamortized Port Authority funds as aforesaid, there shall remain any balance in said special fund, including income and appreciation thereon, the Port Authority shall pay such balance to the City. The Port Authority shall not be liable to the City for any loss to said special fund by reason of the investment thereof provided that said funds are invested in bonds of the United States, the State of New York, the State of New Jersey, the City of New York or bonds issued by the Port Authority for municipal air terminal purposes.

If the whole of said demised premises or the right and interest of the Port Authority in or to the same shall be condemned, taken or acquired, as aforesaid, then no further rental shall be payable hereunder. If only a part of the said de-

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mised premises or of the right and interest of the Port Authority in or to the same shall be so condemned, taken or acquired, and the part so condemned, taken or acquired is so substantial as to make it impractical to proceed with the operation of the demised premises for air terminal purposes, then, and in such event, no further rental shall be payable hereunder; provided however that possession of the demised premises remaining shall be promptly surrendered to the City as if the term hereof shall have come to an end. If, however, only a part of said demised premises or of the right and interest of the Port Authority in or to the same shall be so condemned, taken or acquired, and the part remaining is sufficient to conduct the operation thereof for air terminal purposes, then, and in such event, the obligations of the Port Authority under the provisions of this agreement relating to rent as well as under the several other articles of this agreement, shall continue and remain unaffected by such condemnation, taking or acquisition. The minimum rental, however, shall thereafter be apportioned, but such apportionment, in any event, shall be made only with respect to any subsequent year or years during which no more than the minimum rental shall be due the City under this agreement.

24. Approach Zones, Transition Zones and Turning Zones

During the term for which the demised premises are leased, the City shall not erect or permit the erection of any obstructions or hazards to avigation upon or above City streets or other property belonging to the City which will project into the approach zones, transition zones or turning zones of any now existing or future runways at the municipal air terminals as such runways may then exist. If it becomes necessary or desirable to remove in whole or in part any such obstructions or hazards now existing upon City-owned property and projecting into the approach zones, transition zones or turning zones of such runways as they now exist (or to remove in whole or in part any such obstructions or hazards existing on such City-owned property or projecting into the approach zones, transition zones or turning zones of any future runway or any extension of any existing runway) it shall be done only with the consent of the City and at the cost of the Port Authority.

25. Area "A" Adjacent to LaGuardia Airport

The Port Authority intends to acquire and convey to the City either title to or the right to use and occupy the property within the area marked "Area A" upon Map No. I, at the sole expense of the Port Authority, and to use and occupy the same as an extension of and in connection with LaGuardia Airport, and such property, when acquired and conveyed to the City, shall be deemed part of the demised

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premises. If the City now owns any of the real estate within said area the same shall be and shall be deemed to be part of the demised premises. All property referred to in this section shall be subject to all the terms and conditions of this agreement, as though the same were shown in green upon said Map I.

The City hereby consents to the reduction of the first year's rent to be paid to it hereunder by the Port Authority of the sum of $43,750., representing the amount due for taxes and interest on property to be acquired as aforesaid in Area "A".

26. City Streets Within Demised Premises

The City agrees to close such streets within the demised premises as may be requested by the Port Authority and in the event of such closing the Port Authority does remise, release and forever discharge the City and its successors of and from any and all claim or claims and cause or causes of action which the Port Authority may hereafter have or which it or its successors may have against the City by reason of the closing and discontinuance of any such streets.

The Port Authority further agrees that in the event of the closing of any of the streets within the area marked Area "A" on Map I, to save the City harmless from any and all claims of any other parties for damage by reason of the closing and discontinuance of any such streets.

27. Van Wyck Expressway

The City agrees to use its best efforts to advance the completion, on or before October 1, 1948, of Van Wyck expressway from Queens Boulevard to Idlewild Airport, including the connections with Southern Parkway, without cost to the Port Authority, and to permit free access between said Expressway and Idlewild Airport. The Port Authority hereby consents to the reduction of the demised premises to the extent of all or any part of the area shown on Map II and marked 'C' for the construction of the traffic interchange between Van Wyck Expressway and Southern Parkway, without reduction in rent.

28. City Construction Contracts

The City shall not hereafter enter into any contracts for the performance of any engineering, design or construction work for the purchase of materials and equipment, or for the making of any improvements or physical changes at, in or in connection with the demised premises. On or before June 5, 1947, the City Comptroller

shall furnish to the Port Authority a list of all uncompleted contracts for the performance of any engineering, design or construction work or for the purchase of material and equipment entered into by the City and registered with him, prior to June 1, 1947, together with copies thereof. The City shall complete or cause to be completed at its own expense as promptly as reasonably practicable all such work to be performed under such contracts heretofore entered into by the City and heretofore registered with the City Comptroller, provided that the City shall promptly cancel and terminate, at its own expense, any such contract or contracts the cancellation of which is requested by the Port Authority not later than September 1, 1947. The City shall not, without the consent of the Port Authority, change or modify any such contract or the work to be performed thereunder or the requirements relating thereto. If so requested by the Port Authority, however (and subject to the consent of the contractor, if such consent be necessary), the City shall modify any such contract or contracts or the work to be performed thereunder or the requirements relating thereto, and if such modification shall result in additional cost to the City, the Port Authority shall pay the City therefor.

The City shall require all contractors performing work under said contracts, and all their subcontractors, agents, employees and representatives, to work in cooperation with the Port Authority, its contractors, subcontractors, agents, employees and representatives.

The Port Authority assumes the cost of the contracts theretofore entered into by the City and shown on the annexed Schedule H, pursuant to the authorization contained in Line No. 182 (D16S), Line No. 185 (Project No. D2) and Line No. 193 (Project No. D203), of the 1947 New York City Capital Budget, provided that in no event shall such cost so assumed by the Port Authority be greater than $3,500,000. In the event any part of said sum has already been paid by the City, then the Port Authority agrees to reimburse the City for all such payments. It is understood that the City will cancel and terminate any of such contracts if so requested to do by the Port Authority, but in such event the Port Authority shall be responsible for any claims made against the City by reason of such cancellation and agrees to reimburse the City therefor.

The City agrees to make available to the Port Authority all contracts and other data in connection with the construction of any of the municipal air terminals.

29. FLOYD BENNETT FIELD

The City and the Port Authority covenant and agree to apply to the Federal Government for a consent to the use of Floyd Bennett Field by the Port Authority

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under the existing permit to the City or upon similar terms, and for a deed or a lease in the name of the City for Floyd Bennett Field. The terms of any purchase agreement or lease for Floyd Bennett Field and the decision whether to proceed with such purchase or lease shall require the approval of both the City and the Port Authority. The Port Authority agrees to pay the purchase price for a deed or the rent under a lease.

The Port Authority agrees to spend $1,500,000, which sum includes the amounts due or to be due under the contracts set forth in Schedule H, and which sum is part of the $100,000,000 to which reference is made in Section 9 hereof, to rehabilitate, improve, and develop such Field, such improvements to begin promptly upon the obtaining of the aforesaid consent from the Federal Government for the use of Floyd Bennett Field by the Port Authority. In the event of the purchase of Floyd Bennett Field, or in the event of a lease, then the Port Authority shall expend such additional sum or sums as may be necessary for the rehabilitation, expansion, and development of Floyd Bennett Field as a modern municipal air terminal.

Upon the obtaining of the aforesaid consent, and for any and all renewals thereof, the Port Authority agrees to operate Floyd Bennett Field as an airport in accordance therewith. The operation of Floyd Bennett Field by the Port Authority shall not continue beyond the term of this agreement. If, for any reason, the occupancy by the Port Authority of Floyd Bennett Field is prevented, interrupted or terminated, such circumstance shall not result in any diminution of the rent assumed hereunder by the Port Authority and payable to the City.

The Port Authority will supply to the City at Floyd Bennett Field, so long as such air terminal is operated by the Port Authority, free hangar space for the accommodation of up to three City-owned Police Department aircraft of substantially the same size as those presently used by the Police Department. The Port Authority further agrees that no fees for the landing and taking off of such Police Department aircraft shall be charged against the City.

30. TRANSFER OF CIVIL SERVICE EMPLOYEES

The Port Authority agrees to employ all civil service employees now employed by the City directly or indirectly in connection with the municipal air terminals, being the employees listed on Schedule I annexed hereto, at rates of pay not less than they now receive from the City, provided such employees desire to accept such employment, and provided further that they shall be subject to any and all rules, regulations, and employment policies of the Port Authority now or hereafter adopted with respect to matters affecting personnel and employment.

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31. INSPECTION

The City through its properly designated officials and employees in the performance of their official duties shall at all times have the right of free access to all portions of the demised premises.

32. COVENANT OF QUIET ENJOYMENT

The City agrees that the Port Authority on paying the rent herein reserved 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 hereinbefore specified unless such term shall cease, close or expire sooner.

33. RIGHTS AND REMEDIES

The Port Authority agrees that the City shall have all the rights and remedies for which provision is now made by law or which may hereafter be made by law to the extent set forth in Schedule D, regardless of when such legislation may be enacted.

34. CLOSING OF SERVICE ROAD

The City shall take steps to close and discontinue the portion of the service road of Grand Central Parkway shown in yellow on Map I. When said portion of the service road of Grand Central Parkway is closed and discontinued, the same shall become part of the demised premises.

35. SECTION HEADINGS

The section headings are for reference purposes only and shall not be deemed descriptive of the sections.

36. NOTICE

All notices required to be sent by either party to the other shall be in writing and shall be forwarded by registered mail, addressed as follows:

To the Port Authority.

Executive Director of the Port Authority
(or his successor in duties)
111 Eighth Avenue,
New York City.

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To the City.

Comptroller of the City of New York,
Municipal Building,
New York City.

All communications shall be forwarded to the above addresses until notice in writing of change of address is forwarded by either party to the other by registered mail.

37. MISCELLANEOUS

Except as herein otherwise provided, the Port Authority shall have full power and discretion to proceed with the financing, rehabilitation, expansion, improvement, development, operation and maintenance 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; and 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.

38. CHARGES AGAINST OPERATIONS

Where under or pursuant to or because of this Agreement the Port Authority has agreed to do any act or thing at its own cost or expense or without cost to the City or to assume any liability or to make any payment, such provision shall not be construed to prevent the Port Authority from charging such expenditures against operating revenues, in the event that they are expenses directly attributable to the operation and maintenance of the municipal air terminals within the meaning of "Net Operating Revenue" as defined in Section 1 hereof, or from charging them against the proceeds of bonds issued for municipal air terminal purposes in the event that they are proper capital charges for municipal air terminal purposes. Nothing herein contained shall, however, be construed to permit the Port Authority to charge any sum paid to the City by the Port Authority for damages (other than rent) to operating expenses, and the same shall be paid from the Port Authority's share of any net revenue or other Port Authority funds.

39. INTEREST ON REFUNDING OF BONDS

The Port Authority shall not issue any bonds to refund bonds issued for municipal air terminal purposes at a date earlier than the maturity date of the bonds to be refunded, unless the refunding bonds bear a coupon or stated interest rate equal to or less than (but not greater than) the rate borne by the bonds to be refunded, but this shall not apply to the funding or refunding of short term notes. As used in this section "short term notes" means notes maturing one year or less from the date of their issue.

40. ARBITRATION RE: ACCOUNTING

If at any time hereafter any dispute, difference or question shall arise between the parties with respect to any accounting question involved in the determination of the amount due to the City as rent over and above the minimums provided for in Section 4 hereof, or involved in the determination of the amounts due to the City pursuant to Sections 15 and 23 hereof, or any other accounting questions arising under this contract, then every such dispute, difference or question shall be submitted for arbitration to three (3) certified public accountants to be appointed by the Executive Committee of the American Institute of Accountants within 15 days after written notice served by either party to this contract upon the other by mail demanding that such dispute, difference or question be so submitted for arbitration.

In the event that the Executive Committee of the American Institute of Accountants fails or refuses to appoint such arbitrators within thirty days after the mailing by either party to this contract of a written request for such appointment, then such dispute, difference or question shall be submitted for arbitration to three (3) certified public accountants to be appointed by the American Arbitration Association within 15 days after written notice served by either party to this contract upon the other by mail demanding that such dispute, difference or question be so submitted for arbitration. The award, ruling or determination which shall be made by a majority of said arbitrators shall be final and binding upon the parties hereto and the parties hereto agree to comply with such award or determination provided the award or determination shall be made in writing within 45 days next after the submission to them of the dispute, difference or question, or on or before any later date to which the said arbitrators, by any writing signed by them, shall enlarge the time for making their award. If it is determined that the Port Authority or the City of New York is prohibited by law from agreeing to submit to arbitration or to be a party to an agreement providing for arbitration, then the provisions of this contract

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relating to arbitration shall be null and void but shall not affect the other provisions of this contract, which shall, nevertheless, remain in full force and effect.

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 Mayor; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Chairman, the day and year first above written.

Attest:

MURRAY W. STAND (sgd.)
City Clerk

(Seal)

THE CITY OF NEW YORK

WILLIAM O'DWYER (sgd.)
Mayor

Attest:

JOSEPH G. CARTY (sgd.)
Secretary

(Seal)

THE PORT OF NEW YORK AUTHORITY

HOWARD S. CULLMAN (sgd.)
Chairman

Approved as to form

CHARLES E. MURPHY (sgd.)
Corporation Counsel

S.W.A.
W.B.R.
C.F.P.

Approved as to form
S.G.

LEANDER I. SHELLEY (sgd.)
General Counsel

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

On this 17th day of April, 1947, before me personally came MURRAY W. STAND, with whom I am personally acquainted, and known to me to be the City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn, did depose and say that he resides at (Ex. 1) Borough of Manhattan, City of New York; that he is the City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knew the seal of said corporation (the corporation described in and which executed the foregoing instrument); that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Estimate, and that he signed his name thereto as City Clerk by like authority; and further that he knows and is acquainted with WILLIAM O'DWYER, and knows him to be the person described in and who as Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe, execute and deliver the same, and that he acknowledged to him, the said MURRAY W. STAND, that he executed and delivered the same, and he, the said MURRAY W. STAND, thereupon subscribed his name thereto.

ARTHUR D. WALKER (sgd.)
Notary Public

(Seal)

ARTHUR D. WALKER
Qus. Co. 2637, N. Y. Co. 736
Term expires March 30, 1948

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

On this 17th day of April, 1947, before me personally came and appeared HOWARD S. CULLMAN, to me known, who, being by me duly sworn, did depose and say that he resides at (Ex. 1) Borough of Manhattan, City of New York; that he is the chairman of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY, and that he signed his name thereto by like order.

ARTHUR D. WALKER (sgd.)
Notary Public

ARTHUR D. WALKER
(Seal) Qus. Co. 2637, N. Y. Co. 736
Term expires March 30, 1948

SCHEDULE A

(1) A parcel (approx. 2.69 acres) located at the intersection of the east line of 120th Street with the southerly line of 29th Avenue, Borough of Queens.

(2) A parcel consisting of five plots, each 200 feet square, on Rikers Island surrendered by the Department of Correction and assigned by the Board of Estimate to the Department of Marine and Aviation on April 20, 1939 (Board of Estimate Calendar of that date, No. 126).

(3) A parcel (approx. 13.25 acres) at Havemeyer, Zerega, Randall and Seward Avenues, Borough of the Bronx.

(4) A parcel on the west side of Cross Bay Boulevard at the intersection of the Boulevard with the prolongation of Runway C of Idlewild Terminal, Borough of Queens, and about two miles from the Terminal.

(5) A parcel (103,625 sq. ft.) at Avenue U and Stuart Street, Borough of Queens.

(6) The pier appurtenant to Idlewild Airport extending beyond the bulkhead line into Jamaica Bay.

(7) Premises leased by lease L-167 (10/8/40) to American Airlines for transmission tower.

(8) Premises leased by lease L-140 (11/10/39) to TWA for transmission tower.

(9) Premises covered by Permit No. P-320 (5/1/46) to National Airlines for transmission tower.

(10) Premises covered by Permit No. P-686 (7/1/46) to C.A.A. for radio range.

SCHEDULE B

PERMITS IN EFFECT AT NEW YORK CITY MUNICIPAL AIRPORTS

No.	Date	Permittee	Purpose	Expires
		LaGuardia Airport		
P-51	5-1-46	Air Express International Agency, Ltd.	Operate as Custom Broker	4-30-47
P-53	"	American Airlines	Storage Shelter Hangar #1—88 sq. ft.	4-30-47
P-54	"	"	Storage space east of service building	4-30-47
P-55	"	"	Loading Deck Booth #5 bet. Column 48-50, 214 sq. ft.	4-30-47
P-56	"	"	Loading Deck Booths	4-30-47
P-57	"	"	Loading Deck Booth #4, Area bet. Column 25 and 50, 1545 sq. ft.	4-30-47
P-58	"	"	Loading Deck Booth #3 bet. Column 18 and 23, 535 sq. ft.	4-30-47
P-59	"	"	Loading Deck Booth #2 bet. Column 11-13, 222 sq. ft.	4-30-47
P-61	"	"	Fingers—Loading Gates ¼—Space 2275 sq. ft.	4-30-47
P-62	"	"	Use Room #1/20 Landplane Building	4-30-47
P-63	"	"	Space Lower Rotunda, 691 sq. ft., Landplane Building	4-30-47
P-66	"	"	Space—Loading Platforms between Columns 41-43, 185 sq. ft.	4-30-47
P-67	"	"	Space—Loading Platforms between Columns 44-46, 253 sq. ft.	4-30-47

No.	*Date*	*Permittee*	*Purpose*	*Expire*
P-68	5-1-46	American Airlines	Space—Loading Platforms between Columns 15-16	4-30-4
P-80	5-1-46	American Overseas Airlines	Space adjoining Hangar #2—260,400 sq. ft.	4-30-4
P-81	"	"	Seaplane Hangar #2, erect 2nd story on lean to	4-30-4
P-82	"	"	Seaplane Hangar—erect new platform	4-30-4
P-83	"	"	Space at Information Counter Marine Terminal	4-30-4
P-84	"	"	Space along bulkhead, 3577 sq. ft. at Marine Terminal Repair Shop	4-30-4
P-85	"	"	Non-combustible Storehouse—456 sq. ft.	4-30-4
P-86	"	"	Space for shed for refuse at Seaplane Hangar #2, 61.32 sq. ft.	4-30-4
P-87	"	"	Use space located within enclosed areas—2221 sq. ft.	4-30-4
P-93	5-1-46	Rudy Arnold	Space (35 sq. ft.) Ground floor Landplane Administration Bldg.	4-30-4
P-113	5-1-46	Otto Braren	Sell box lunches, sandwiches, etc.	4-30-4
P-129	5-1-46	Colonial Airlines, Inc.	Space at Loading Gate #15—1800 sq. ft.	4-30-4
P-130	"	"	Space under observation platform east of permittee's present quarters	4-30-4
P-131	"	"	Space (3,000 sq. ft.) S. E. cor. of field for motor cases, oil drums, etc.	4-30-4
P-187	5-1-46	D'Andrea Bros.	Space for shop west of circular staircase, Administration Building	4-30-4
P-202	5-1-46	Geo. F. Doherty Co.	Custom Broker, Marine Terminal	4-30-4

No.	*Date*	*Permittee*	*Purpose*	*Expires*
P-205	5-1-46	Eastern Airlines, Inc.	Space loading Deck—Booths 12 and 14A—121.16 sq. ft.	4-30-47
P-206	"	"	Space—200 sq. ft. located between Column 129-131	4-30-47
P-212	5-1-46	Empire Airlines, Inc.	Conduct scheduled Air Transportation	4-30-47
P-213	"	"	Space in Landplane Administration Bldg.—232 sq. ft.—in 3rd floor	4-30-47
P-214	"	"	One gasoline Storage Cell at N. W. Corner of Inner Bank of Gas Storage Cells—Marine Terminal Area	4-30-47
P-215	"	"	Space in telephone corridor—1st floor Administration Building	4-30-47
P-230	5-1-46	General Service Coinlock Co.	Maintain Coin Lock in pay toilets in Landplane Administration Building	4-30-47
P-231	"	"	Maintain Coin Locks in pay toilets in Marine Terminal Building	4-30-47
P-298	5-1-46	Massce-Barnett Co., Inc.	Custom Brokers Service	4-30-47
P-299	"	"	Space at entrance to rotunda of Marine Terminal Building	4-30-47
P-323	5-1-46	New York Airport Terminals Inc.	Space for booth adjoining gate #5—105 sq. ft.	4-30-47
P-324	"	"	Space for Booth at east end of Gate #10—Administration Bldg.	4-30-47
P-325	"	"	Space in Building (353 sq. ft.) for Manager's Office including corridor ground floor Landplane Admin. Building	4-30-47
P-326	"	"	Space in West Side Main corridor ground Floor Administration Bldg. —used as Porters' Check Room.	4-30-47

No.	Date	Permittee	Purpose	Expires
P-327	5-1-46	New York Airport Terminals Inc.	Occupy Room B-35 (Porters' Room) Landplane Administration Building —286 sq. ft	4-30-47
P-329	"	"	Space for Air Express—2471 sq. ft. in Landplane Administration Building	4-30-47
P-330	"	"	Space for Post Office—4,198 sq. ft. Landplane Administration Bldg.	4-30-47
P-340	"	New York Hotel Corp.	Additional locker room space—619 sq. ft. Ground floor, Administration Bldg.	4-30-47
P-341	"	"	Extend Counter, a total of 32'-2" space now occupied	4-30-47
P-342	"	"	Space for Manager's office—872 sq. ft. Landplane Building	4-30-47
P-343	"	"	Space (100 sq. ft.) on the East Wing on Ground Floor of Admin. Bldg. for Locker Room	4-30-47
P-362	5-1-46	William Paccione	Use of closet on 4 floor of Land Administration Building	4-30-47
P-364	5-1-46	Pan American Airways Inc.	Space—3rd floor Landplane Administration Building to be used by U. S. Immigration and Public Health Service	4-30-47
P-365	"	"	Seaplane Hangar A—space for construction of a second floor—1199 sq. ft.	4-30-47
P-366	"	"	Space, Information counter in Marine Terminal Building	4-30-47
P-367	"	"	Temporary one story frame building east of Seaplane Ramp	4-30-47

No.	*Date*	*Permittee*	*Purpose*	*Expires*
P-368	5-1-46	Pan American Airways Inc.	Enclosed area for protection of premises—23,268 sq. ft.	4-30-47
P-369	"	"	Space for construction of 2 temporary coal bins—4,346 sq. ft.	4-30-47
P-370	"	"	Maintain one story building west of addition to Hangar A—6,023 sq. ft.	4-30-47
P-371	"	"	Space south of Hangar A—Marine Terminal to maintain 4 movable nose hangars—5,313 sq. ft.	4-30-47
P-372	"	"	Space at Marine Terminal for storage purposes—25,412 sq. ft.	4-30-47
P-390	5-1-46	Railway Express Agency	Space Main Floor Administration Bldg.	4-30-47
P-412	5-1-46	Shell Oil Company	Exclusive right to sell aviation gasoline, oils and grease at LaGuardia Fld.	4-30-47
P-413	"	"	Space in vicinity of Gate #8 bet. columns 79 and 81, 218 sq. ft.	4-30-47
P-414	"	"	Space for office in vicinity of Gate #8 —88 sq. ft.	4-30-47
P-438	5-1-46	Trans-Canada Airlines	Conduct Scheduled Flights	4-30-47
P-441	5-1-46	Transcontinental & Western Air, Inc.	Booths 9-10—Loading Deck—1653 sq. ft.	4-30-47
P-442	"	"	Space on 3rd floor of Marine Terminal Building—940 sq. ft.	4-30-47
P-443	"	"	Space Ground Floor Administration Building—729 sq. ft.	4-30-47
P-444	"	"	Space along southerly wall of Marine Terminal—75 feet	4-30-47

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No.	*Date*	*Permittee*	*Purpose*	*Expire*
P-445	5-1-46	Transcontinental & Western Air, Inc.	Space along southerly wall of Rotunda Marine Terminal Building—48 sq. ft.	4-30-47
P-446	"	"	Space along southerly wall of Rotunda of Marine Terminal Bldg.—95 sq. ft.	4-30-47
P-447	"	"	¼ space in N. W. quarter of circular Information counter Marine Terminal Bldg.	4-30-47
P-448	"	"	Space northwest corner of circular counter Marine Terminal Bldg.	4-30-47
P-452	5-1-46	United Airlines, Inc.	Space—Mezzanine floor in Hanger #2 260 sq. ft.	4-30-47
P-455	"	"	Space for Gate House—Loading Gates 7 & 8, 1215.61 sq. ft.	4-30-47
P-456	"	"	Space—Garbage Bin Hanger #2—101.25 sq. ft.	4-30-47
P-470	5-1-46	Anthony Vigilis	Sell box lunches	4-30-47
P-484	5-1-46	The Tower Optical Co.	Install & maintain 8 coil Optical Binocular machines on Observation Platform	4-30-47
P-494	7-1-46	U. S. Civil Aeronautics Administration	Space for one story structure used by American Overseas Airline, Inc.	6-30-47
P-504	5-21-46	Transcontinental & Western Air, Inc.	5 additional gasoline bulk storage cells	4-30-47
P-505	5-21-46	American Airlines, Inc.	Use four additional gasoline bulk storage	4-30-47
P-506	5-1-46	Empire Airlines, Inc.	Conduct Scheduled Flights	4-30-47
P-569	5-22-46	American Airlines, Inc.	Space between columns 57 & 60 Loading Platform—use 316 sq. ft.	4-30-47
P-590	5-1-46	New York Airport Terminals, Inc.	Space, Landplane Adm. Bldg. First floor—116 sq. ft.	4-30-47

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No.	*Date*	*Permittee*	*Purpose*	*Expires*
P-591	5-1-46	Western Union Telegraph Co.	Space—Landplane Adm. Bldg. First Floor, 115 sq. ft.	4-30-47
P-660	"	Trans-Canada Airlines	Space to provide passenger facilities at Gate #1 West end of Landing Deck	4-30-47
P-664	6-1-46	"	Room on first floor of Landplane Administration Bldg., 440 sq. ft.	4-30-47
P-668	7-1-46	Air France	Conduct Scheduled Flights	6-30-47
P-670	7-1-46	U. S. Dept. of Commerce Weather Bureau	Space for Weather Bureau & charge for service	4-30-47
P-671	8-1-46	Mrs. Dorothy Marvin Kessler	Space for Beauty Salon lower rotunda, Admin. Bldg.	4-30-47
P-672	7-13-46	Pan American Airways	Space for Parking purposes—67,000 sq. ft.	4-30-47
P-673	6-11-46	American Overseas Airlines	Use space within protective area, 1327.4 sq. ft.	4-30-47
P-675	6-1-46	Northwest Airlines	Space located east of Hangar #8—storage of oil drums—200 sq. ft.	4-30-47
P-682	3-20-46	"	Sublease from United of space on 2nd floor, north side of building between Hangars 2 and 4	3-19-47
P-683	8-6-46	American Express Co.	Space on east side of Rotunda—Marine Terminal Building—80 sq. ft.	4-30-47
P-690	5-1-46	Northeast Airlines, Inc.	Conduct scheduled flights	4-30-47
P-691	"	"	Use of Gasoline Cell in Bulk Storage Area	4-30-47
P-692	"	"	Counter space; Rotunda Landplane Building	4-30-47
P-693	"	"	Space 3rd floor Landplane Administration Building—636 sq. ft.	4-30-47

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No.	*Date*	*Permittee*	*Purpose*	*Expires*
P-694	5-1-46	Northeast Airlines, Inc.	Space main floor Admin. Bldg., 293 sq. ft.	4-30-47
P-695	"	"	Use of Field	4-30-47
P-696	"	"	Space-Booth #11 along Loading Platform—502 sq. ft.	4-30-47
P-697	5-1-46	Northwest Airlines, Inc.	Conduct scheduled flights	4-30-47
P-698	"	"	Counter space—18 feet Landplane Administration Building	4-30-47
P-699	"	"	One Gasoline Storage Cell Bulk Storage Area Marine Terminal Area	4-30-47
P-700	"	"	Space on 3rd floor Administration Building—801 sq. ft.	
P-701	"	"	Space Main Floor—Landplane Administration Bldg.—330 sq. ft.	4-30-47
P-702	"	"	Use of Field	4-30-47
P-703	"	"	Space—Loading Platform Cols. 51-56 —515 sq. ft.	4-30-47
P-704	"	National Airlines, Inc.	Use of Gasoline Cell in Bulk Storage Area—Marine Terminal	4-30-47
P-705	"	"	Conduct Schedule Flights	4-30-47
P-706	"	"	Use of Private Plane Hangar	4-30-47
P-707	"	"	Use—18 ft.—Counter space—Landplane Bldg. along Circular Rotunda	4-30-47
P-708	"	"	Use of Field	4-30-47
P-709	"	"	Use—686 sq. ft. of floor space—3rd floor of Administration Building	4-30-47
P-710	"	"	Space—Loading Platform bet. Cols. 102-105—628.5 sq. ft.	4-30-47
P-712	"	"	Space on Third Floor Landplane Administration Building—703 sq. ft.	4-30-47

No.	*Date*	*Permittee*	*Purpose*	*Expires*
P-713	5-1-46	National Airlines, Inc.	Space on Main Floor Landplane Administration Bldg.—193 sq. ft.	4-30-47
P-714	"	"	Use of Field	4-30-47
P-715	5-1-46	Pennsylvania Central Airlines	Counter space—Landplane Administration Bldg.—18 feet.	4-30-47
P-716	"	"	One Cell—Gasoline Bulk Storage Area	4-30-47
P-717	"	"	Conduct Scheduled Air Transportation	4-30-47
P-718	"	"	Space at Gate #6—Loading Platform —532 sq. ft.	4-30-47
P-722	6-15-46	James K. Dobbs, Inc.	Operate food service to passengers National Airline exclusively	4-30-47
P-740	3-19-46	Cartier, Inc.	Display case—16 sq. ft. at Circular Staircase, Administration Building	3-18-47
P-1312	4-1-47	Eastern Airlines, Inc.	Space—938 sq. ft. for loading booths —platform columns 115-124	3-31-48
P-1313	4-1-47	Transcontinental & Western Air, Inc.	Space for maintenance of Garbage Bin—Hangar #6—106 sq. ft.	3-31-48
P-767	8-1-46	Sky Chefs, Inc.	Furnish food service to Northwest Airlines, Inc. exclusively	4-30-47
P-790	8-1-46	Frank Giordano	Shoeshine stand—Land. Adm. Bldg.	4-30-47
P-857	9-16-46	Northeast Airlines	Space—East of Hangar No. 8—Storing oil drums—160 sq. ft.	4-30-47
P-861	4-26-46	Pan American Airways, Inc.	Space—West of Seaplane Hangar No. 1—38,019 sq. ft.—Parking Aircraft	4-25-47
P-923	5-1-46	Air Clearance Associates, Inc.	260 square feet Marine Terminal Building	4-30-47
P-938	5-1-46	Pan American Airways, Inc.	Space for Customs & Immigration—Marine Term. Bldg.—5,010 sq. ft.	4-30-47

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P-1305 Allied Maintenance Co.—Date of occupation to April 30, 1947. 50¢ per sq. ft. for approx. 260 sq. ft. per annum. Enclose openings to provide storage for cleaning materials in Passenger Arcade of Marine Terminal Bldg.

P-935 Air Clearance Associates, Inc.—May 1, 1946 to April 30, 1947. 10% of gross receipts, payable on or before 15th of each month following the last day of the month to which the return relates. To conduct a customs broker service for the clearance of International shipments of air express—Marine Terminal.

P-1067 Air Express International Agency, Inc.—Nov. 24, 1946 to April 30, 1947. $256. per annum. Use and occupation of 128 sq. ft. of space located on second floor landing of the International Air Terminal Bldg.

P-1065 Air France—Nov. 25, 1946 to April 30, 1947. $1200. per annum. Use and occupation of one ticket counter located in the rotunda, west side of International Air Terminal Bldg.

P-1012 Air France—July 1, 1946 to June 30, 1947. Use of runways, aprons, taxi strips and other facilities, used in common by those so authorized, for purposes of landing and taking off aircraft used by permittee in scheduled transportation and other flights related and incidental thereto.

P-1288 Air France—May 1, 1947 to April 30, 1948. $600 per annum. Occupation of one-half of the northwest section of the circular information counter located in the main corridor of the International Air Terminal.

P-1371 American Airlines, Inc.—March 25, 1947 to March 24, 1948. Use and occupation of 153 sq. ft. of space located on the ground floor, west wing of the Land. Terminal Bldg.

P-1221 American Airlines, Inc.—Dec. 1, 1946 to April 30, 1947. Use and occupation of 1366 sq. ft. of space on first floor, Land. Administration Bldg.

P-1222 American Airlines, Inc.—Dec. 1, 1946 to April 30, 1947. Use and occ. of 450 sq. ft. of space, second floor of Landplane Administration Bldg.

P-1219 American Overseas Airlines, Inc.—Sept. 23, 1946 to April 30, 1947. Use and occ. of 828 sq. ft. located in one-story masonry building, known as "Line Maintenance Building".

P-1298 American Overseas Airlines, Inc.—Nov. 7, 1946 to April 30, 1947. Occupation of two covered passenger walkways containing an area of 8865 sq. ft. located east of the International Air Terminal.

P-1199 American Overseas Airlines—Sept. 23, 1946 to April 30, 1947. Use and occ. of temporary one-story masonry addition to northwest section of International Terminal Building.

P-1306 Cartier, Inc.—March 19, 1947 to March 18, 1948. Occupation of approx. 16 sq. ft. of space for the maintenance of the City-owned display and sales case, located at the main rotunda entrance to the circular staircase bet. the present newsstand and the flower stand, in the Landplane Administration Bldg.

P-1312 Eastern Airlines, Inc.—April 1, 1947 to March 31, 1948. Use and occ. of 938 sq. ft. of space for Loading Booths, located along the platform bet. Columns 115 and 124, incl.

P-942 Empire Airlines, Inc.—Aug. 19, 1946 to April 30, 1947. Use and occupy a temporary maintenance shop (Hangar) located at southwesterly end of LaGuardia Field, containing an area of 4444 sq. ft.

P-1210 Empire Airlines, Inc.—Feb. 1, 1947 to Jan. 31, 1948. Sublet to K. L. M. (Royal Dutch Airlines), the hangar and work shop built by Empire Airlines.

P-1196 Linea Aeropostal Venezolana—Jan. 15 to April 30, 1947. Use and occupation of 96 sq. ft. of space located on second floor landing in the International Air Terminal Bldg.

P-1005 Linea Aeropostal Venezolana—Nov. 15, 1946 to opening of Floyd Bennett Field. To conduct scheduled air transportation.

P-1006 Linea Aeropostal Venezolana—Nov. 15, 1946 to opening of Floyd Bennett Field. Use of runways, aprons, taxi strips and other facilities.

P-1007 Linea Aeropostal Venezolana—Nov. 15, 1946 to opening of Floyd Bennett Field. Use and occ. of a location for one gasoline storage cell at northwest corner of gasoline storage cells in International Air Terminal area.

P-1287 Linea Aeropostal Venezolana—May 1, 1947 to April 30, 1948. Occupation of one-half of the northwest section of the circular information counter located in the main corridor of the International Air Terminal Bldg.

P-1075 Manufacturers Trust Co.—Dec. 10, 1946 to June 30, 1947. Use and occupation of 738 sq. ft. of floor space located on the first floor of the Administration Building at LaGuardia Field.

P-1282 Northwest Airlines, Inc.—March 12, 1947 to April 30, 1947. Use and occupation of 1500 sq. ft. of space located on the mezzanine floor of building between Hangars 4 and 6 at LaGuardia Field.

P-930 Pan American Airways System—Aug. 5 to Aug. 23, 1946. Use and occ. of 23,750 sq. ft. of space located east of Hangar 8 at LaGuardia Field, for the purpose of parking Constellation aircraft.

P-1218 Pan American Airways, Inc.—Sept. 23, 1946 to April 30, 1947. Use and occ. of 1105 sq. ft. of space located in the one-story masonry structure known as "Line Maintenance Bldg." on the apron at the International Air Terminal.

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P-1290 Pan American Airways, Inc.—May 1, 1946 to April 30, 1947. Use and occ. of a fram bldg. 173.5 sq. ft. in dimensions, located east of International Air Terminal being use at present by British Overseas Airlines Corp. to shelter Line maintenance crews an equipment.

P-936 Pennsylvania Central Airlines—May 1, 1946 to April 30, 1947. Use and occ. of the prem ises, incl. building on Riker's Island, N. Y. as shown on blueprint W.P.A. Dwg. 4E3.

P-1209 Tampa-New Orleans-Tampico Airlines, Inc.—July 4, 1946 to April 30, 1947. To maintai passenger loading float and boat float, both floats being attached to and north of the Cit bulkhead, International Air Terminal, in connection with carrying on seaplane and cras boat operations.

IDLEWILD AIRPORT

P-1201	Les Mortimer	Sell meals to workmen on construction job	12/31/-
P-1078	Manufacturers Trust Co.	Temporary Banking service	6/30/-

FLOYD BENNETT FIELD

None

No.	*Date*	*Permittee*	*Purpose*	*Expir*
			OTHER	
P-52	5-1-46	American Airlines, Inc.	Occupy space for Receiving Station, Rikers Island	4-30-
P-64	"	"	Control Tower—Permission to bridge cables to Central Tower, Rikers Island	4-30-
P-207	"	Eastern Airlines, Inc.	Install Remote Receiver and Antenna System in building on Rikers Island	4-30-
P-320	5-1-46	National Airlines	Transmission Tower, Cross Bay Blvd., Queens	4-30-

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No.	*Date*	*Permittee*	*Purpose*	*Expires*
P-507	7-1-46	Bureau of Air Commerce	103-625 sq. ft. at Ave. U and Stuart St., Brooklyn	6-30-47
P-511A	7-1-46	Civil Aeronautics Adm.	Radio Range Station, English Kills	6-30-47
P-686	7-1-46	"	Radio Range at Rulers Bar, Hassock, Queens	6-30-47

674 Dept. of Commerce, CAA—Nov. 1, 1945, to June 30, 1946. Operation and maint. of an Instrument Landing System consisting of Localizer Unit, Glide Path Unit and boundary Marker Unit and necessary control facilities.

LEASES IN EFFECT AT NEW YORK CITY MUNICIPAL AIRPORTS

No.	*Date*	*Lessee*	*Purpose*	*Expires*
		LaGuardia Airport		
L-138	10-5-39	Hotel New Yorker Corp.	Operate Restaurant	10 yrs. from date of operation
L-128	10-15-38	American Airlines, Inc.	Hangars 1-3-5 — Space Adm. Bldg. Conduct Scheduled Flights	10 yrs. from date complet'n Bldgs. and Airport
L-129	10-21-38	United Airlines Transport Corp.	Hangar 2 — Space Adm. Bldg. Conduct Scheduled Flights	"
L-130	11-12-38	Transcontinental & Western Air, Inc.	Hangars 4-6—Space Adm. Bldg. Conduct Scheduled Flights	"
L-135	5-16-39	Pan American Airways Co.	Seaplane Hangar A Space Seaplane Adm. Bldg. Conduct Scheduled Flights	"

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No.	Date	Lessee	Purpose	Expires
L-144	12-1-39	Grand Central Cadillac Renting Corp. (Carey Airport Service, Inc.)	Right to Transport Air Passengers Parking Space	12-31-49
L-152	1-8-40	Canadian Colonial Airways, Inc. (Colonial Airlines)	½ Hangar 8 and lean-to Space Adm. Bldg. Conduct Scheduled Flights	10 yrs. from date complet'n Buildings and Airport
L-153	1-20-40	Eastern Airlines, Inc.	½ Hangar 8 and lean-to Space Adm. Bldg. Conduct Scheduled Flights	4-14-50
L-155	12-9-39	United States of America (Civil Aeronautics Adm.)	2-story Office Bldg. and Hangar	6-30-40 with annual Renewal Privilege to 6-30-60
L-177	4-4-41	American Export Airlines, Inc. (American Overseas Airlines)	Hangar and lean-to at Seaplane Base, Space in Marine Term. Building. Right to Conduct Scheduled Flights	10 yrs. from date completion Buildings and Airport
L-182	4-1-41	Empire Trust Co. (Mfrs. Trust Co.)	715 sq. ft., 1st floor Administration Bldg.	10 years from date of occupancy
L-183	4-1-41	"	Show Case 2nd floor Administration Bldg.	6-30-51
L-185	8-13-41	Gulf Oil Corp.	3 Gasoline Stations	10 yrs. from date of completion
L-189	10-24-41	Shell Oil Co., Inc.	1 Cell in Gasoline Bulk Storage Area	5 yrs. from date of completion with renewal privilege
L-194	12-1-40	Frank Giordano	323 sq. ft., 3rd floor Administration Bldg. Barber Shop	12-1-51
L-195	5-6-42	Pan American Airways, Inc.	Parcels A and B at Seaplane Base and Buildings thereon	11-15-49

No.	*Date*	*Lessee*	*Purpose*	*Expires*
L-202	3-2-43	American Export Airlines, Inc. (American Overseas Airlines)	Land Adjacent to seaplane Hangar 2	Termination date of primary term of main lease
L-206	5-12-43	United States of America Post Office Department	821 sq. ft. of space in Landplane Adm. Bldg.	2-29-52
L-235	10-31-45	American Airlines, Inc.	Land adjacent to Hangar 5	Termination date of primary term of main lease

IDLEWILD AIRPORT

L-222	8-31-45	Eastern Airlines	Site area Space in Term. Bldg. Other Rights	Completion of permanent facilities
L-223	8-31-45	Flagship Clubs, Inc. (American Airlines)	Space Permanent Term. Building	Date of commencement 1st renewal Amer. Airlines lease
L-224	8-31-45	Northeast Airlines	Site Area Space in Term. Bldg. Other Rights	Completion of permanent facilities
L-225	8-[illegible]-45	Pan American Airways	"	"
L-226	[illegible]	Pennsylvania Central Airlines	"	"
L-227	"	Trans-Canada Airlines	"	"
L-228	"	United Airlines	"	"
L-229	"	British Overseas Airways Corporation	"	"
L-230	"	American Overseas Airlines	"	"
L-231	"	American Airlines	"	"
L-232	"	Transcontinental & Western Air, Inc.	"	"

No.	*Date*	*Lessee*	*Purpose*	*Expires*
L-233	8-31-45	National Airlines	Site Area Space in Terminal Building, Other Rights	Completion of permanent facilities
L-234	"	American Airlines and Transcontinental & Western Air, Inc.	Additional Land	Date of Commencement 1st Renewal Term principle leases
L-236	10-2-45	Colonial Airlines	Site Area Space in Terminal Building, Other Rights	Completion of Permanent Facilities
L-237	12-17-45	Colonial Beacon Oil Co. Shell Oil Co., Inc. Socony Vacuum Oil Co. The Texas Co.	Joint Lease of Fuel Facilities	"
L-238	12-31-45	Swedish Intercontinental Airline (SILA)	Site Area Space in Terminal Building, Other Rights	"
L-239	12-27-45	Gulf Oil Corp.	Operate Auto Service Stations Also Marine Fuel and Transient Aircraft	"
	12-29-45	Cargair Inc.	Ground Space	December, 1955
		OTHERS		
L-150	Not known	United States of America (Civil Aeronautics Administration)	Land for Range Site Vicinity of English Kills. 11.41 acres	Year to year. Not to extend beyond 6-30-1960
L-137	9-24-39	United Airlines	Transmission Tower Property on Cross Bay Blvd.	10 yrs. from date of approval by B. of E.
L-140	11-10-39	Transcontinental & Western Air, Inc.	Transmission Tower, Jamaica Bay	"
L-167	10-8-40	American Airlines	Transmission Tower, Jamaica Bay	"

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SCHEDULE C

Automotive Equipment City Equipment No.	*Description*
3.	G. M. C. dump truck 1938 (1½T)
4.	Chevrolet pick up truck 1938 (1T)
8.	Standard power lawn mower 1939 (Dept.)
11.	Cletrac crawler tractor 1939 (Bulldozer)
12.	Ford sedan 1939
14.	Ford dump truck 1939 (1½T)
15.	G. M. C. platform truck (7T)
16.	International Ladder Truck (1½T)
17.	Worthington 105 cu. ft. air compressor
20.	Worthington tractor with gang mower and side sickle bar
21.	Buffalo Springfield road roller (FBF)
22.	Standard power mower
23.	Kohler gas driven electric generator
24.	International panel truck 1941
25.	International panel truck
29.	Kohler gas driven electric generator
31.	Kohler gas driven electric generator
32.	Coldwell power hand mower
36.	Simar roto-tiller
38.	Portable gas driven electric generator (1250W)
40.	Hardie sprayer
41.	Jaeger pump

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Automotive Equipment City Equipment No.	*Description*
50.	Walters snow plow
51.	Walters snow plow (Model 1GBS)
52.	International Truck (Dempsey Dumpster)
53.	Dodge Reconnaissance and Command Car
54.	Dodge Reconnaissance and Command Car
55.	Dodge Reconnaissance and Command Car
56.	Mower Tractor-Worthington grassblitzer
57.	Worthington Grass Blitzer
58.	Homelite 2" suction pump
59.	Ford Jeep (1943)
60.	Chevrolet cargo truck (1½T)
61.	Chevrolet cargo truck (1½T)
	Sand spreader
	Road magnet
	Disc harrow
	Spike harrow
	Grass blitzer units
	2 sickle bars
	2 crash truck U. S. Army Class 155
	1 Tank Truck 2500-gallon
	1 Ahrens-Fox Pumper and Hose Cart
	2 Crash Trucks U. S. Army 125
	1 3-Ton Cardox Crash Truck
	1 G. M. C. Comb. CO^2 and Foam Crash Truck
	2 John Bean High Pressure Water and Foam Crash Trucks
	1 Seagrave Pumper

Shop Equipment:

1	Lathe (Bench) model 409 South Bend 1939 .
1	Drill Press Stand
1	Paving Breaker Thor #20
1	Boiler tube cleaner
1	Electric suction cleaner & blower Tornado #10
1	Clay Digger Chicago Pneumatic model CPM
3	¼ electric drill
1	½ electric drill
1	¾ electric drill
2	⅞ electric drill
1	Stanley bench grinder 6"
1	Stanley Portable electric hammer
1	Delta saw joiner
1	Circular wood saw
1	Log saw (gas engine drawn)
1	Portable circular saw 8"
2	Electric Shears
1	Platform (Telescoping)
1	Hobart electric welder, 20 h. p., 300 amps., at 40 V., serial #DW4234
1	Portable pipe threader, electric driven

Testing Instruments:

1	Clamp-on ammeter, Weston
2	Simpson Roto Ranger #202 (Voltmeter, Ammeter, Ohmeter, etc.)

Testing Instruments:

1	Weston Industrial Analyzer ≐639
1	Power cable fault bridge
1	Weston ≒603 illumination meter
1	G. E. voltmeter
1	G. E. recording wattmeter
1	Tachometer
1	Tensionmeter
1	Megger (Biddle) 250V
1	Megger (Biddle) 500V
1	Fibre duct pre locator

SCHEDULE D

AN ACT

To amend chapter of the laws of New York of nineteen forty-seven, entitled "AN ACT to facilitate the financing and effectuation of air terminals by the port of New York authority and agreeing with the state of New Jersey with respect thereto", generally,

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Upon the concurrence of the state of New Jersey herein, in accordance with Section 3 of this Act, Sub-divisions (a) and (c) of Section 8, and Section 10, of Chapter of the laws of New York of nineteen forty-seven entitled "An act to facilitate the financing and effectuation of air terminals by the port of New York authority and agreeing with the state of New Jersey with respect thereto", and of Chapter forty-three of the laws of New Jersey of 1947, entitled "An act to facilitate the financing and effectuation of air terminals by the port of New York authority and agreeing with the state of New Jersey with respect thereto" are hereby amended to read as follows:

§ 8(a) Notwithstanding any contrary provision of law, every municipality in the port of New York District is authorized and empowered to consent to the use by the Port Authority of any air terminal owned by such municipality or of any real or personal property owned by such municipality and necessary, convenient or desirable in the opinion of the Port Authority for air terminal purposes, including such real property as has already been devoted to a public use, and as an incident to such consent, to grant, convey, lease, or otherwise transfer to the Port Authority any such air terminal or real or personal property, upon such terms as may be determined by the Port Authority and such municipality. Every such municipality is also authorized and empowered as an incident to such consent to vest in the Port Authority the control, operation, maintenance, rents, tolls, charges, and any and all other revenues of any air terminal now owned by such municipality, the title to such air terminal remaining in such municipality. Such consent shall be given and the execution of any agreement, deed, lease, conveyance, or other instrument evidencing such consent or given as in incident thereto shall be authorized in the manner provided in article twenty-two of the compact of April thirtieth, nineteen hundred twenty-one, between the two states creating the Port Authority.

6P

(c) The states of New York and New Jersey hereby consent to suits, actions or proceedings of any form or nature in law, equity or otherwise by any city or other municipality against the Port Authority upon, in connection with or arising out of any such agreement, agreements or any modification thereof or supplement thereto, [by any county, city, borough, village, township, municipality, public agency or authority for the recovery of any moneys agreed to be paid by the Port Authority thereunder, and for such purpose only, and any judgment therein against the Port Authority shall be payable only from such funds as the Port Authority may have available for the payment of such judgment.] for the following types of relief and for such purposes only:

(1) For money damages for breach thereof,

(2) For money damages for torts arising out of the operation of the municipal air terminal,

(3) For rent,

(4) For specific performance,

(5) For reformation thereof,

(6) For accounting,

(7) For declaratory judgment,

(8) For judgments, orders or decrees restraining or enjoining the Port Authority from transferring title to real property to third persons in cases where it has contracted with such City or other municipality to transfer such title to such City or municipality, and

(9) For judgments, orders or decrees restraining or enjoining the Port Authority from committing or continuing to commit other breaches of such agreements with such City or municipality, provided, that if the proceeding for such judgment, order or decree is brought in a Court of the State of New Jersey, it shall not take effect until affirmed by the Court of Errors and Appeals of that State, or if the Port Authority takes no appeal therefrom, until the time to take such appeal has expired, provided further, that if the proceeding for such judgment, order or decree is brought in a court of the State of New York, it shall not take effect until affirmed by the Appellate Division of the Supreme Court, or if the Port Authority takes no appeal therefrom, until the time to take such appeal has expired, and provided lastly that if the proceeding for such judgment, order or decree is brought in a Federal Court, it shall not take effect until affirmed by the Circuit Court of Appeals or if the Port Authority fails to take an appeal therefrom, until the time to appeal has expired.

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When rules of venue are applicable, the venue of any such suit, action or proceeding shall be laid in the county or judicial district in which the airport, which is the subject matter of such agreement between the Port Authority and the City or other municipality, or any part thereof, is located.

If any clause, sentence, paragraph, or part of this subdivision or the application thereof to any person or circumstances, shall, for any reason, be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this subdivision, and the application thereof to any other person or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved.

§ 10. The Port Authority may make application directly to the proper federal officials or agencies for federal loans or grants in aid of air terminals owned or operated by it; provided, that if either state shall have or adopt general legislation governing applications for federal aid for air terminals by municipalities of such state, or the receipt or disbursement of such federal aid by or on behalf of such municipalities, then such legislation shall at the option of such state apply to applications by the Port Authority for federal aid for air terminals located in such state and to the receipt and disbursement of such federal aid by or on behalf of the Port Authority, in the same manner and to the same extent as other municipalities of such state. Except as above provided, and except as otherwise provided in any agreement between the Port Authority and a municipality, no agency or commission of either state shall have jurisdiction over any air terminals under the control of the Port Authority, and all details of financing, construction, leasing, charges, rates, tolls, contracts and the operation of air terminals owned or controlled by the Port Authority shall be within its sole discretion and its decision in connection with any and all matters concerning such air terminals shall be controlling and conclusive.

§ 2. The first sentence of section fifteen of Chapter of the laws of New York, 1947, is hereby amended to read as follows:

§ 15. Subject to the foregoing limitations, [At its option,] the Port Authority may, at its option, exercise the right of eminent domain or condemnation to acquire real property for air terminal purposes as set forth in this section.

§ 3. This act shall take effect upon the enactment into law by the state of New Jersey of legislation having an identical effect with Section 1 of this act, but if the state of New Jersey shall have already enacted such legislation, then this act shall take effect immediately.

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SCHEDULE E

LEASES IN EFFECT AT NEW YORK CITY MUNICIPAL AIRPORTS

LaGuardia Field

No.	*Date*	*Lessee*	*Purpose*	*Expires*
L-128	10-15-38	American Airlines, Inc.	Hangars 1-3-5 Space Adm. Bldg. Conduct Scheduled Flights	10 yrs. from date complet'n Bldgs. & Airport
L-129	10-21-38	United Airlines Transport Corp.	Hangar 2 Space Adm. Bldg. Conduct Scheduled Flights	"
L-130	11-12-38	Transcontinental & Western Air, Inc.	Hangars 4-6 Space Adm. Bldg. Conduct Scheduled Flights	"
L-135	5-16-39	Pan American Airways Co.	Seaplane Hangar A Space Seaplane Adm. Bldg. Conduct Scheduled Flights	"
L-152	1-8-40	Canadian Colonial Airways Inc. (Colonial Airlines)	½ Hangar 8 and lean-to Space Adm. Bldg. Conduct Scheduled Flights	"
L-153	1-20-40	Eastern Airlines, Inc.	½ Hangar & lean-to Space Adm. Bldg. Conduct Scheduled Flights	4-14-50
L-177	4-4-41	American Export Airlines, Inc. (American Overseas Airlines)	Hangar and lean-to at Seaplane Base Space in Marine Term. Bldg. Right to Conduct Scheduled Flights	10 yrs. from date completion Bldgs. & Airport
L-185	8-13-41	Gulf Oil Corp.	3 Gasoline Stations	10 yrs. from date completion

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No.	*Date*	*Lessee*	*Purpose*	*Expires*
L-189	10-24-41	Shell Oil Co., Inc.	1 Cell in Gasoline Bulk Storage Area	5 yrs. from date of completion with renewal privilege
L-192	12-1-40	American Airlines, Inc.	450 sq. ft. 2nd floor Adm. Bldg.	12-1-46
L-195	5-6-42	Pan American Airways, Inc.	Parcels A and B at Seaplane Base and Buildings thereon	11-15-49
L-197	12-1-40	American Airlines, Inc.	1366 sq. ft. 1st floor Administration Bldg. for Admirals Club and Concession	12-1-46
L-202	3-2-43	American Export Airlines, Inc. (American Overseas Airlines)	Land Adjacent to seaplane Hangar 2	Termination date of primary term of main lease
L-235	10-31-45	American Airlines, Inc.	Land adjacent to Hangar	"

IDLEWILD AIRPORT

L-222	8-31-45	Eastern Airlines	Site area Space in Term. Bldg. Other Rights	Completion of permanent facilities
L-223	8-31-45	Flagship Clubs, Inc. (American Airlines)	Space Permanent Term. Building	Date of commencement 1st renewal Amer. Airlines lease
L-224	8-31-45	Northwest Airlines	Site area Space in Term. Bldg. Other Rights	Completion of permanent facilities
L-225	8-22-45	Pan American Airways	"	"
L-226	8-31-45	Pennsylvania Central Airlines	"	"
L-227	"	Trans-Canada Airlines	"	"

No.	*Date*	*Lessee*	*Purpose*	*Expires*
L-228	8-31-45	United Airlines	Site area Space in Term. Bldg. Other Rights	Completion of permanent facilities
L-230	"	American Overseas Airlines	"	"
L-231	"	American Airlines	"	"
L-232	"	Transcontinental & Western Air, Inc.	"	"
L-233	"	National Airlines	"	"
L-234	"	American Airlines and Transcontinental & Western Air, Inc.	Additional Land	Date of Commencement 1st Renewal term Principle leases
L-236	10-[illegible]-45	Colonial Airlines	Site Area Space in Terminal Building Other Rights	Completion of Permanent Facilities
L-237	12-[illegible]-45	Colonial Beacon Oil Co., Shell Oil Co., Inc., Socony Vacuum Oil Co., The Texas Co.	Joint Lease of Fuel Facilities	"
L-239	12-[illegible]-45	Gulf Oil Corp.	Operate Auto Service Stations Also Marine Fuel and Transient Aircraft	"
L-137	9-24-39	United Airlines	Transmission Tower Property on Cross Bay Blvd.	10 yrs. from date of approval by B. of E
L-140	11-10-39	Transcontinental & Western Air, Inc.	Transmission Tower, Jamaica Bay	"
L-167	10-S-40	American Airlines	Transmission Tower, Jamaica Bay	"

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The Port Authority agrees that the City shall retain the sum of $100,000 from the deposits and pre-paid rents described in Section 12 of the agreement until such time as releases and consents similar to the release and consent set forth in Schedule F are delivered to the City by Swedish Intercontinental Airline (SILA) and British Overseas Airways Corporation; and upon the delivery of the release and consent from either of the aforesaid companies to the City, or when every action which may be brought by such company on account of any breach of its lease or agreement by the City has been barred by the Statute of Limitations, the sum of $50,000. shall be paid to the Port Authority by the City.

SCHEDULE F

KNOW ALL MEN BY THESE PRESENTS that

WHEREAS, a certain agreement dated April , 1947, has been entered into between THE CITY OF NEW YORK (hereinafter referred to as CITY) and THE PORT OF NEW YORK AUTHORITY (hereinafter referred to as the PORT AUTHORITY) which agreement covers, among other things, the leasing by the CITY to the PORT AUTHORITY of its municipal air terminals in the City of New York, and

WHEREAS, by and pursuant to said agreement, the CITY has assigned to the PORT AUTHORITY as of June 1, 1947 a certain lease, permit, contract or other agreement made on the day of 19 , between the CITY and the undersigned,

[LIST ADDITIONAL LEASES]

NOW, THEREFORE, for good and valuable considerations, the receipt whereof is hereby acknowledged, the undersigned does hereby consent to the aforesaid assignment of the aforesaid lease, permit, contract or other agreement, together with all security deposits and prepaid rent; and the undersigned, for good and valuable further considerations, receipt whereof is hereby acknowledged, does hereby release the CITY from all liabilities, claims and demands, including security deposits and prepaid rent, now existing or hereafter to occur under said aforesaid lease, permit, contract or other agreement, and the CITY is hereby released and forever discharged of and from any and all manner of actions, causes of action, suits, proceedings, debts, dues, contracts, judgments, and damages, claims and demands whatsoever in law or equity which against the CITY the undersigned ever had, now has or which its successors and assigns can have or may have, for or by reason of any matter, cause, or thing whatsoever, arising out of or hereafter arising out of such lease, contract, permit or other agreement.

And the undersigned does hereby release and forever discharge the Port of New York Authority from any and all liabilities, and any and all manner of actions, causes of action, suits, proceedings, debts, dues, contracts, judgments, and damages, claims and demands whatsoever in law or in equity which against The Port of New York Authority the undersigned ever had, now has or which its successors and as-

signs can have or may have, for or by reason of, or arising directly or indirectly out of any breach of the aforesaid lease, permit, contract or other agreement, committed or alleged to have been committed prior to June 1, 1947.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this day of 1947.

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ATTEST:

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(Acknowledgment)

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SCHEDULE H

1. Department Contract No. 2533. Misc. construction for three runway operations, Idlewild Airport (Board of Estimate Cal. No. 209, April 10, 1947).

2. Department Contract No. 2528. Repairs to buildings and structures, Floyd Bennett Field.

3. Department Contract No. 2518. Preparation of field sketches, etc. Floyd Bennett Field.

SCHEDULE I

DEPARTMENT OF MARINE AND AVIATION

Civil Service Employees Charged to the Bureau of Aviation

Code 8105-001 TS

Line	*Title*	*Salary*	*Name*	*Address*	*Appointed*	*Rem.*
1	Director of Airports	(8000) $8350	Elmer Haslett		4/ 1/42	
2	Airport Manager	(6500) $7150	Kenneth P. Behr		8/19/31	
14	Airport Inspector	(4000) $4650	Samuel Levy		7/16/31	M.
15	Airport Inspector	(3360) $4010	James G. Adams		7/16/31	
15	Airport Inspector	(3360) $4010	Neal G. Grignon		5/ 9/29	
16	Airport Inspector	(3360) $4010	Edward G. Juengst	(Ex. 1)	7/16/31	L. C to Li
16	Airport Inspector	(3360) $4010	George J. Schloer		8/22/31	L. C to Li
17	Accountant	(2640) $3290	Simon D. Feigin		11/21/39	
18	Clerk	(2340) $3000	John L. Kelly		7/ 1/30	
19	Clerk	(1200) $1920	Marion G. Troisi		7/ 1/43	L. C
22	Telephone Operator	(1800) $2460	Helen J. Sutherland		3/26/40	
25	Attendant (Female)	(1920) $2580	Mary A. E. Morris		9/ 1/39	Assig Bur.
26	Foreman Electrician	$4990	Walter L. Bennett		6/12/34	
27	Oiler (302D)	$3000	Robert G. Klee		6/13/27	
28	Electrician (Airport)	$15. a day	Frank J. McPartland		3/12/40	
30	Auto Mechanic (302D)	$3860	Robert G. Jones		7/ 1/43	
32	Foreman Laborer (313D)	(2520) $3170	Francis E. Johnson		4/16/31	
33	Laborer (302D)	(1740) $2400	John J. Baldi		5/15/42	
33	Laborer (302D)	(1740) $2400	Otis Gregory		2/ 2/42	
33	Laborer (302D)	(1740) $2400	Joseph R. McGrath		6/16/42	
33	Laborer (302D)	(1740) $2400	Joseph Maggio	Ave.,	4/18/31	
33	Laborer (302D)	(1740) $2400	William A. Seifert		5/ 7/42	

Line	Title	Salary	Name	Address	Appointed	Remarks
33	Laborer (302D)	(1740) $2400	Frank J. Lamicelli		5/11/42	
34	Laborer (302D)	(1740) $2400	Herbert J. Egleston		9/16/42	
34	Laborer (302D)	(1740) $2400	Anthony Gialloreto		12/30/39	
34	Laborer (302D)	(1740) $2400	Albert DePhillis		12/30/39	
37	Gardener	(2400) $3050	Charles Murray	(Ex. 1)	7/ 1/39	
38	Assistant Gardener	(2040) $2700	Harold A. Patterson		12/ 1/39	
38	Assistant Gardener	(2040) $2700	Otto C. Kemp		12/ 1/39	
39	Assistant Gardener	(1700) $2360	John L. Esposito		6/27/46	
39	Assistant Gardener	(1700) $2360	Cornelius A. Joeckel		1/ 1/46	
40	Cleaner (Male) (302D)	(1560) $2220	George H. Blaney		11/24/39	L. O. A. to 8108-Line 5
40	Cleaner (Male) (302D)	(1560) $2220	Harlan E. Bergen		10/19/39	L. O. A.
42	Cleaner (Female) (302D)	(1380) $2040	Adele Weisberg		5/14/40	
42	Cleaner (Female) (302D)	(1380) $2040	Mary C. Flood		8/ 1/40	
43	Cleaner (Female) (302D)	(1380) $2040	Bridget Bunko		2/ 1/45	
46	Airport Assistant	(1800) $2460	Joseph F. Giordano		12/23/39	
46	Airport Assistant	(1800) $2460	James F. McMurray		5/16/41	
46	Airport Assistant	(1800) $2460	Warren C. J. Grantz		10/16/41	
48	Airport Assistant	(1320) $1980	David L. Walsh		5/ 1/41	M. L.
51	Maintenance Man (302D)	(2400) $2700	Joseph Pescia		8/ 1/41	L. O. A to 8108-Line 5
52	Maintenance Man (302D)	(2220) $2520	Frederick T. Hubbard		11/20/37	
52	Maintenance Man (302D)	(2220) $2520	Stanley Cullwick		2/ 1/42	
52	Maintenance Man (302D)	(2220) $2520	Pasquale Castelli		2/13/40	
54	Maintenance Man (Airport) (302D)	(2100) $2400	Frank Bergman		5/16/46	
55	Cleaner (Female) (302D)	(1320) $1980	Julia D. Jedlicka		5/16/45	
56	Airport Assistant	(1680) $2340	William K. McCaffrey		12/ 7/40	L. O. A.
59	Airport Assistant	(1800) $2460	Anthony Cycoveck		5/28/41	

Code 8105-001 TS (cont.)

Line	Title	Salary	Name	Address	Appointed	Remarks
79	Clerk	(1560) $2220	Louis Weinstein		2/ 1/47	
80	Clerk	(1260) $1920	James F. Murphy	(Ex. 1)	2/ 1/47	
82	Telephone Operator	(1800) $2460	Alice Sullivan		3/15/39	
89	Accountant	(2640) $3290	John Farkas		8/13/39	

Code 8108-007

55	Electrician (250D)	$15. a day	Carl Gherardi		5/27/38	
55	Electrician (250D)	$15. a day	Wilfred T. Jones		11/ 1/39	
55	Electrician (250D)	$15. a day	Michael P. O'Hearn		9/29/45	
56	Oiler	$8.72 a day	Abraham Wexler		6/14/27	

Note: M. L. indicates on Military Leave.
L. O. A. indicates on leave of absence without pay.

April 10, 1947

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DEPARTMENT OF MARINE AND AVIATION

Employees Charged to Engineering Bureau and Other Codes and Assigned to Aviation Bureau

Code and Line	Title	Salary	Name	Address	Appointed	Remarks
8103-3	Civil Engineer	(5000) 5650	James S. Kenny		7/ 7/25	
8103-15	Asst. Civil Engineer	(3360) 4010	Robert H. Cameron		2/16/45	
8103-21	Jr. Civil Engineer	(2700) 3350	Walter J. Lynch		4/18/23	
8103-48	Asst. Civil Engineer	(4260) 4910	Albert Bauer	(Ex. 1)	10/25/28	
8103-52	Asst. Civil Engineer (Str.)	(3660) 4310	William S. Hoffman		4/16/30	
8103-65	Civil Eng. Draftsman	(3000) 3650	Stanley Szlanda		12/16/31	
8103-69	Inspector of Pier Bldg.	(2760) 3410	James A. Fay		10/21/35	
8103-69	Inspector of Pier Bldg.	(2760) 3410	Howard H. Schwarting		4/20/31	
8103-97	Foreman Laborer	(2520) 3170	Elliott D. Haenlein		10/21/35	
8103-106	Watchman	(1200) 1860	Edward A. Curran*		1/20/47	Prov. Sub. for S. Curley—L. O. A.
8103-107	Watchman	(1320) 1980	Louis A. Saunders*		1/ 9/47	
8103-108	Watchman	(1200) 1860	Joseph J. Whitney*		1/20/47	
8106-24	Ticket Agent	(1440) 2100	Edward Maxner*		2/25/46	Ferry Bureau Emp.
8108-3	Carpenter (250D)	$4.70 day	Frederick W. Bell		9/29/44	

SPECIAL SCHEDULE

16	Jr. Civil Engineer	(2700) 3350	John J. Foley		5/25/45
19	Civil Eng. Draftsman	(2940) 3590	George P. Secor		3/16/46
21	Jr. Civil Engineer	(2700) 3350	George H. Flanagan		6/15/44
22	Jr. Civil Engineer	(2700) 3350	James F. Rigney		6/ 2/36
23	Jr. Civil Engineer	(2700) 3350	Robert J. Kane		9/16/39
24	Inspector of Pier Bldg.	(2820) 3470	Osgood T. Barnes		4/ 2/32
24	Inspector of Pier Bldg.	(2820) 3470	Arthur L. Walsh		4/ 2/36
30	Stenographer	(2760) 3410	Juliet I. Graham	eights	4/20/22

Note: * Indicates Provisional Employee.

April 20, 1947

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THE CITY OF NEW YORK

and

THE PORT OF NEW YORK AUTHORITY

FIRST SUPPLEMENTAL AGREEMENT WITH RESPECT TO MUNICIPAL AIR TERMINALS

Dated May 26, 1949

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FIRST SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

THIS AGREEMENT (hereinafter called "First Supplemental Agreement"), made as of the 26th day of May, 1949 by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at the City Hall in the Borough of Manhattan, City of New York (hereinafter called "the City"), and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of Congress, with its office at No. 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter called "the Port Authority"):

W I T N E S S E T H :

WHEREAS, under date of April 17, 1947 the City and the Port Authority entered into an Agreement (hereinafter called "Original Agreement") with respect to municipal air terminals, the execution of which by the City was authorized by resolution duly adopted by its Board of Estimate on the 17th day of April, 1947 (Cal. No. 5) and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on the 17th day of April, 1947, and

WHEREAS, by said Original Agreement the City demised to the Port Authority the premises, among others, shown in green on the Map designated "Map II" annexed to said Original Agreement, and

WHEREAS, the Port Authority desires and is willing to release and surrender unto the City as of the date hereof two certain portions of said premises more particularly described hereinafter, and the City is willing to accept such release and surrender;

NOW, THEREFORE, for and in consideration of the mutual agreements and covenants herein contained, the City and the Port Authority hereby mutually undertake, promise and agree each for itself and its successors and assigns, that said Original Agreement shall be and it hereby is supplemented, amended and modified as follows:

1. The Port Authority hereby gives up, grants, yields and surrenders unto the City, and the City hereby accepts the surrender of those two certain portions of the premises demised as aforesaid as are colored in blue on the Map annexed hereto and marked "Supplemental Map II" and all the estate, right, title, interest, term of years, property, claim and demand whatsoever of the Port Authority of, in, to or out of the same to the intent and purpose that the said term in said two certain portions of said premises as are colored in blue on the aforesaid Supplemental Map II may be wholly merged, extinguished, determined and excluded from

said lease.

TO HAVE AND TO HOLD said premises herein surrendered unto the City, its successors and assigns forever, provided, that until the expiration or sooner termination of the Original Agreement, the premises herein surrendered shall be held by the City for street purposes and for no other purpose or purposes whatsoever.

2. Except as herein modified, the Original Agreement shall continue to remain in full force and effect without reduction in rent by reason of the reduction of the demised premises affected by this First Supplemental Agreement.

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 Mayor; 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, the day and year first above written.

ATTEST:

/s/ William A. Carroll
First Deputy and Acting City Clerk

CITY OF NEW YORK

By /s/ William O'Dwyer
Mayor

ATTEST:

Joseph G. Carty

THE PORT OF NEW YORK AUTHORITY

By Austin J. Tobin
Executive Director

APPROVED AS TO FORM:

R.C.S. Leander I. Shelley
General Counsel

H.E. O'D. Charles F. Preusse
S. A. Acting Corporation Counsel

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

On this 10th day of June, 1949, before me personally came, William A. Carroll, with whom I am personally acquainted and known to me to be the First Deputy and Acting CITY CLERK of THE CITY OF NEW YORK, who, being by me duly sworn, did depose and say that he resides at 1931 Madison Ave., Borough of Manhattan, City of New York; that he is the First Deputy and Acting CITY CLERK OF THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knew the seal of said corporation (the corporation described in and which executed the foregoing instrument); that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Estimate, and that he signed his name thereto as First Deputy and Acting CITY CLERK by like authority; and further that he knows and is acquainted with WILLIAM O'DWYER, and knows him to be the person described in and who as MAYOR OF THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe, execute and deliver the same, and that he acknowledged to him; the said William A. Carroll, that he executed and delivered the same, and he the said William A. Carroll thereupon subscribed his name thereto.

/s/ Joseph A. Fanelli
JOSEPH A. FANELLI
Commissioners of Deeds, City of New York
New York County Clerk's No. 57
Commission Expires March 15, 1951

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

On this 6th day of June, 1949, before me personally came and appeared AUSTIN J. TOBIN, to me known, who, being by me duly sworn did depose and say that he resides at 13 Monroe Place, Borough of Brooklyn, City of New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY, and that he signed his name thereto by like order.

/s/ Marguerite F. Nielsen
MARGUERITE F. NIELSEN
NOTARY PUBLIC, State of New York
Residing in Kings County
Kings Co. Clk's No. 39, Reg.No. 157-N-0
Certificates Filed In
N.Y.Co. Clk's No. 46,Reg.No. 252-N-0
Commission Expires March 1950

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THE CITY OF NEW YORK

and

THE PORT OF NEW YORK AUTHORITY

Second Supplemental Agreement

with respect to

Municipal Air Terminals

DATED November 7th, 1952

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Agreement (hereinafter called "Second Supplemental Agreement") made as of this 7th day of November, 1952, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York, with its principal office at the City Hall in the Borough of Manhattan, City of New York (hereinafter called the "City"), and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter called the "Port Authority"),

WITNESSETH:

WHEREAS, under date of April 17, 1947 the City and the Port Authority entered into an Agreement With Respect To Municipal Air Terminals (hereinafter called "Original Agreement"), the execution of which by the City was authorized by resolution duly adopted by its Board of Estimate on the 17th day of April, 1947 (Cal. No. 5) and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on the 17th day of April, 1947, and

WHEREAS, under date of May 26, 1949 the City and the Port Authority entered into an agreement (called "First Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said First Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on the 26th day of May, 1949 (Cal. No. 137) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on the 12th day of May, 1949, and

WHEREAS, it is necessary and mutually desirable that certain of the terms, conditions and provisions of said Original Agreement should be further modified, amended and supplemented,

NOW, THEREFORE, for and in consideration of the agreements and covenants herein contained, the City and the Port Authority hereby mutually undertake, promise and agree each for itself and its successors and assigns that said Original Agreement shall be and it hereby is supplemented and amended as follows:

1. DEFINITIONS

Except as hereinafter expressly provided, any words or phrases used in this Second Supplemental Agreement and specially defined in the Original Agreement shall be read and construed in accordance with the definition in the Original Agreement.

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2. SUBSTITUTED SCHEDULE A

The schedule annexed hereto marked "Substituted Schedule A" shall be and it hereby is substituted in the place and stead of the schedule marked "Schedule A" annexed to said Original Agreement. Wherever in said Original Agreement reference is made to Schedule A, such reference shall be construed to refer to said Substituted Schedule A.

3. LA GUARDIA AIRPORT—AREA A—SURRENDER OF PORTION OF DEMISED PREMISES

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises shown colored in red and by hatching on the map of La Guardia Airport annexed hereto and marked "Supplemental Map I", dated August 8, 1952, and all the estate, right, title, interest, terms of years, property, claim and demand whatsoever of the Port Authority of, in, to or out of the same, to the intent and purpose that the said term in said portion of the demised premises shown colored in red and by hatching on the aforesaid Supplemental Map I may be wholly merged, extinguished, determined and excluded from the Original Agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, *subject, however,* during the term for which the demised premises were leased, to the provisions of section 24 of said Original Agreement.

4. SURRENDER OF PORTIONS OF DEMISED PREMISES—NEW YORK INTERNATIONAL AIRPORT —BOUNDARY STREETS

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises shown colored in red on the map of New York International Airport annexed hereto and marked "Supplemental Map II-A", dated August 8, 1952, and all the estate, right, title, interest, term of years, property, claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the demised premises shown colored in red on said Supplemental Map II-A may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, *provided,* that during the term for which the demised premises are leased, said premises herein surrendered shall be held by the City for street purposes and for no other purpose or purposes whatsoever, and *provided, further,* that the Port Authority shall have the right to the maintenance therein and thereunder of utility facilities heretofore installed by the Port Authority.

5. Reduction in Size of Parcel 6—New York International Airport

The City is hereby relieved and discharged of its obligation under the Original Agreement to acquire by condemnation on or before January 1, 1951 the parcel designated as "6" on Map II annexed to the Original Agreement. In lieu thereof the City agrees to acquire the parcel designated as "6" and shown colored in yellow and by hatching on Supplemental Map II-A, annexed hereto, by condemnation on or before July 1, 1953. Upon the vesting of title thereto in the City, said Parcel 6 on Supplemental Map II-A shall become a part of the demised premises and shall be subject to all the terms and conditions of the Original Agreement. There shall be no reduction in rent or in the Port Authority's obligation under Paragraph 19 of the Original Agreement by reason of the reduction in size of Parcel 6 as herein provided.

6. Nassau Expressway—New York International Airport

There is shown on Map II annexed to the Original Agreement, marked "Future Nassau Expressway", a strip which, under the last paragraph of Section 2 of said Original Agreement, was reserved for construction of such expressway subject to certain conditions and provisions. The City by resolution duly adopted by its Board of Estimate on January 11, 1951 (Calendar No. 118) having now approved the General (First Phase) Plan for Nassau Expressway which provides for a substantially different alignment than was contemplated at the time of the Original Agreement, the following provision is hereby substituted in place and stead of the provision set forth in the aforesaid last paragraph of Section 2 of the Original Agreement:

"If within ten (10) years from the date of this Second Supplemental Agreement the construction of Nassau Expressway has been authorized and actually started, the Port Authority hereby consents to the reduction of the demised premises to the extent of the strip shown colored in orange and by hatching on Supplemental Map II-A annexed hereto, *provided,* that said strip shall be held by the City, for and during the term for which the demised premises are leased, for street, park or expressway purposes and for no other purpose or purposes whatsoever, and *provided, further,* that access between the expressway and the demised premises shall be provided at the two points designated as "Access No. 1" and "Access No. 2" on said Supplemental Map II-A and that traffic interchange facilities between said Expressway, the intersecting streets and the demised premises shall be provided at the two points designated as "Traffic Interchange No. 1" and "Traffic Interchange No. 2" on said Supplemental Map II-A. The Port Authority shall have the right to maintain in and under said Expressway utility facilities theretofore installed by the Port Authority, and all work of protecting in place and relocating such utility facilities by reason of the Expressway construction shall be done without cost or expense to the Port Authority."

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7. SERVICE ROAD—LA GUARDIA AIRPORT

Paragraph 34 of the Original Agreement is hereby rescinded.

8. LEASE OF ADDITIONAL DEMISED PREMISES—LA GUARDIA AIRPORT—BOAT BASIN

The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City, for air terminal purposes and for purposes incidental thereto, the additional lands shown colored in green and by hatching on the map of La Guardia Airport annexed hereto marked "Supplemental Map I" (said additional lands being hereinafter called "the Boat Basin"), to have and to hold unto the Port Authority from the date of this Second Supplemental Agreement until the expiration or sooner termination of the Original Agreement, subject to all the terms, covenants and conditions set forth in said Original Agreement and subject also to the following terms and conditions:

(a) Upon the commencement of the letting hereunder the Port Authority shall proceed promptly to landscape the area along Grand Central Parkway between the Parkway pavement and the southerly boundary line of the Boat Basin with screen planting satisfactory to the Department of Parks of the City, and the Port Authority shall assume the cost of such initial landscaping up to but not exceeding $33,000.00. Thereafter, such landscaping shall be maintained by the Department of Parks of the City.

(b) The Port Authority shall not place fill in or upon the Boat Basin or erect bulkheads thereon or therein except in accordance with plans approved by the Department of Parks of the City prior to the commencement of the work. If any such filling operation is undertaken by the Port Authority, the entire channel between the Boat Basin and Flushing Bay and all of the Boat Basin (including the portion of the Boat Basin not included in this letting) shall be filled. If any such filling operation is undertaken by the Port Authority, the Port Authority shall also construct a sewer in the aforesaid channel at its own cost and expense and in accordance with plans and specifications approved by the President of the Borough of Queens, the Chief Engineer of the Board of Estimate and the Park Department of the City. Unless and until the Port Authority constructs a sewer in the channel as provided hereinabove, the Port Authority shall keep the drainage channel open to carry the run-off from Jackson Creek into Flushing Bay.

9. NEW CITY SEWER CONSTRUCTION

The parties recognize that during the term for which the demised premises are leased the City may find it necessary, not only to maintain existing sewers as authorized by paragraph 13 of the Original Agreement, but also to construct and maintain

new sewers within the demised premises to serve areas or property without the demised premises. The Port Authority has no objection to the construction and maintenance of such new sewers by the City provided they will not in any way interfere with or affect the safe and efficient operation or future development of the demised premises by the Port Authority. Accordingly, it is agreed that in the event the City determines that it is necessary to construct any new sewer within the demised premises, the City may do so, and shall have the right to maintain the same, subject to the provisions of paragraph 13 of the Original Agreement and also subject to the prior approval of the Port Authority as to the proposed location, *provided* that the work shall be done without cost or expense to the Port Authority in accordance with plans and specifications approved by the Chief Engineer of the Port Authority. All such work shall be done so as to assure the safe and efficient operation of the airport and, to that end only, the Port Authority shall supervise the work.

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 Mayor; 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, the day and year first above written.

Attest:

(SEAL)

City Clerk
MURRAY W. STAND

THE CITY OF NEW YORK

Mayor
VINCENT R. IMPELLITTERI

Attest:

JOSEPH G. CARTY
Secretary (SEAL)

THE PORT OF NEW YORK AUTHORITY

AUSTIN J. TOBIN
Executive Director

Approved as to form
DENIS M. HURLEY
Corporation Counsel
SWA EAW

Approved as to form
SIDNEY GOLDSTEIN
General Counsel
RCS

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

On the 7th day of November, 1952, before me came AUSTIN J. TOBIN, to me known, who, being by me duly sworn, did depose and say that he resides at 13 Monroe Place, Brooklyn, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, the corporation described in, and which executed, the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Commissioners of said corporation; and that he signed his name thereto by like order.

JOHN J. COLLINS

(SEAL)

JOHN J. COLLINS
Notary Public, State of New York
No. 24-5755210
Qualified in Kings County
Certificates filed in the following offices:
New York, Bronx, Queens, Richmond, Nassau
and Westchester County Clerks
New York and Queens County Registers
[illegible]

State of New York)
City of New York : ss:
County of New York)

On this 7th day of November, 1952, before me personally came MURRAY W. STAND, with whom I am personally acquainted, and known to me to be the City Clerk of The City of New York, who being by me duly sworn, did depose and say that he resides at 171 Broome Street, in the Borough of Manhattan, City of New York; that he is the City Clerk of The City of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed as provided by law, and that he signed his name thereto as City Clerk by like authority, and further, that he knows and is acquainted with VINCENT R. IMPELLITTERI, and knows him to be the person described in and who, as Mayor of The City of New York, executed the said instrument; that he saw him subscribe, execute and deliver the same, and that he acknowledged to him, the said MURRAY W. STAND, that he executed and delivered the same, and he, the said MURRAY W. STAND thereupon subscribed his name thereto.

Meyer Slifkin

MEYER SLIFKIN
Notary Public, State of New York
No. 24-9042400
Qualified in Kings County
Certificates filed with
New York & Bronx County Clerks
Kings, N.Y., Bronx and Queens Register
Term expires March 30, 1954

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SUBSTITUTED SCHEDULE A

ITEM 1

All that certain piece or parcel of land and premises, situate, lying and being in the Borough and County of Queens, in the City and State of New York, between 123rd Street and College Point Causeway, between 28th Avenue and 30th Avenue, more particularly bounded and described as follows:

Beginning at a point which is the intersection of the southwesterly line of College Point Causeway (100.00 feet width) with the westerly line of 124th Street (60.00 feet width) as said Causeway and Street are shown on the "Map showing Street system for the territory designated as Section 54 of the Final Maps of the Borough of Queens" which map was adopted by the Board of Estimate and Apportionment of the City of New York on September 27, 1918 and running thence (1) Southwardly, along said westerly line of 124th Street and along a line which makes an interior angle of 139°-11'-36.0" with course numbered five (5) hereinafter described in this description, 78.81 feet; thence (2) Westwardly, at right angles to the preceding course, 189.73 feet to the easterly line of 123rd Street (60.00 feet width) as shown on said adopted map; thence (3) Northwardly, along said easterly line of 123rd Street, at right angles to the preceding course, 132.46 feet; thence (4) Eastwardly, at right angles to the preceding course, 143.41 feet to said southwesterly line of College Point Causeway; thence (5) Southeastwardly, along said southwesterly line of College Point Causeway and along a line which makes an interior angle of 130°-48'-24.0" with the preceding course, 70.88 feet to the point and place of beginning, containing 23,889 square feet.

ITEM 2

All those four (4) pieces or parcels of land and premises situate, lying and being in the Borough and County of Bronx, in the City and State of New York on Rikers Island, more particularly bounded and described as follows:

Parcel 1

Beginning at a point, the coordinates of which are South 23241.84, East 21440.64 and running thence (1) North 56°-55'-35" East, 250.0 feet to a point, the coordinates of which are South 23105.41, East 21650.14; thence (2) Southeastwardly, at right angles to the preceding course, 250.0 feet to a point, the coordinates of which are South 23314.90, East 21786.56; thence (3) Southwestwardly, at right angles to the preceding course, 250.0 feet to a point, the coordinates of which are South 23451.33, East 21577.07; thence (4) Northwestwardly, at right angles to the preceding course, 250.0 feet to the point and place of beginning. The area whereof is 62,500 square feet or 1.4348 Acres.

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Parcel 2

Beginning at a point, the coordinates of which are South 23594.70, East 21758.09 and running thence (1) North 56°-55′-35″ East, 200.0 feet to a point the coordinates of which are South 23485.56, East 21925.69; thence (2) Southeastwardly, at right angles to the preceding course, 200.0 feet to a point, the coordinates of which are South 23653.15, East 22034.83; thence (3) Southwestwardly, at right angles to the preceding course, 200.0 feet to a point the coordinates of which are South 23762.30, East 21867.24; thence (4) Northwestwardly, at right angles to the preceding course, 200.0 feet to the point and place of beginning. The area whereof is 40,000 square feet or 0.9183 Acres.

Parcel 3

Beginning at a point, the coordinates of which are South 23189.48, East 21925.10 and running thence (1) North 56°-55′-35″ East, 200.0 feet to a point, the coordinates of which are South 23080.33, East 22092.70; thence (2) Southeastwardly, at right angles to the preceding course, 200.0 feet to a point, the coordinates of which are South 23247.93, East 22201.84; thence (3) Southwestwardly, at right angles to the preceding course, 200.0 feet to a point, the coordinates of which are South 23357.07, East 22034.25; thence (4) Northwestwardly, at right angles to the preceding course, 200.0 feet to the point and place of beginning. The area whereof is 40,000 square feet or 0.9183 Acres.

Parcel 4

Beginning at a point, the coordinates of which are South 23766.11, East 22408.39 and running thence (1) North 56°-55′-35″ East, 250.0 feet to a point, the coordinates of which are South 23629.68, East 22617.89; thence (2) Southeastwardly, at right angles to the preceding course, 250.0 feet to a point, the coordinates of which are South 23839.18, East 22754.32; thence (3) Southwestwardly, at right angles to the preceding course, 250.0 feet to a point, the coordinates of which are South 23975.61, East 22544.82; thence (4) Northwestwardly, at right angles to the preceding course, 250.0 feet to the point and place of beginning. The area whereof is 62,500 square feet or 1.4348 Acres.

The coordinates and bearings mentioned in the four (4) parcels hereinabove described 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.

Together with the overhead, surface, sub-surface and sub-marine easements necessary for the operation, maintenance, repair and reconstruction of the power

and telephone lines and ducts required for the proper operation of the facilities lying within the above described parcels and all accessories thereto.

Together with the right of access thereto.

ITEM 3

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:

Beginning at a point which is the intersection of the easterly line of Havemeyer Avenue (legally opened 80 feet in width) with the northerly line of Randall Avenue (legally opened 80 feet in width) and running thence (1) Northwardly, along said easterly line of Havemeyer Avenue, 700.00 feet to the southerly line of Seward Avenue (80 feet in width as laid out on the City Plan and not legally opened); thence (2) Eastwardly, along said southerly line of said Seward Avenue, 780.08 feet to the westerly line of Zerega Avenue (legally opened to 80 feet in width); thence (3) Southwardly, along said westerly line of Zerega Avenue aforesaid, 700.00 feet to said northerly line of Randall Avenue; thence (4) Westwardly, along said northerly line of Randall Avenue, 780.08 feet to the point and place of beginning. The area whereof is 546,056 square feet or 12.54 Acres.

ITEM 4

All that certain piece or parcel of land and premises situate, lying and being in the Borough and County of Queens, in the City and State of New York, on Rulers Bar Hassock, more particularly bounded and described as follows:

Beginning at a point in the westerly line of Cross Bay Boulevard, as laid down on Alteration Map 2746 of the Borough of Queens, adopted by the Board of Estimate and Apportionment of the City of New York on April 11, 1940, 114.00 feet in width at this location, the coordinates of said point being South 67347.661, East 63349.321, and running thence (1) Southeastwardly, along said westerly line of Cross Bay Boulevard, 2700.00 feet to a point therein, the coordinates of which are South 69374.488, East 65133.129; thence (2) Southwestwardly, at right angles to the preceding course, 300.00 feet to a point the coordinates of which are South 69572.689, East 64907.926; thence (3) Northwestwardly, at right angles to the preceding course, 2700.00 feet to a point the coordinates of which are South 67545.862, East 63124.118; thence (4) Northeastwardly, at right angles to the preceding course and at right angles to course numbered one (1) hereinabove described in this description, 300.00 feet to the point and place of beginning. The area whereof is 810,000 square feet or 18.595 acres.

The coordinates 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.

ITEM 5

All that certain piece or parcel of land and premises, situate, lying and being in the Borough and County of Queens, in the City and State of New York, between 55th Avenue and 55th Drive produced eastwardly and between 48th Street and 50th Street.

Beginning at a point which is the corner formed by the intersection of the southerly line of 55th Avenue (widened to 70 feet width) with the easterly line of 48th Street (60 feet width) and running thence (1) North 76°-49'-45" East, along said southerly line of 55th Avenue aforesaid, 379.66 feet to the corner formed by the intersection of said southerly line of 55th Avenue aforesaid with the westerly line of 50th Street (70 feet width); thence (2) Southeastwardly, along said westerly line of 50th Street aforesaid and along a line which makes an interior angle of 99°-23'-15.8" with the preceding course, 415.98 feet to the prolongation westwardly of the northerly line of 55th Drive (60 feet width); thence (3) Southwestwardly, along said northerly line of 55th Drive aforesaid and along a line which makes an interior angle of 80°-43'-20.7" with the preceding course, 447.51 feet to said easterly line of 48th Street; thence (4) Northwestwardly, along said easterly line of 48th Street aforesaid and along a line which makes an interior angle of 89°-53'-23.5" with the preceding course, at right angles to said southerly line of 55th Avenue aforesaid, 411.27 feet to the point and place of beginning, containing 169,931 square feet or 3.90 acres.

The bearing hereinabove mentioned in the description of this item refers to grid north 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.

The streets and avenues referred to hereinabove in this description are laid down on Alteration Map 3405 in a Communication to the Board of Estimate and Apportionment on February 2, 1950 and referred to the Planning Commission of the City of New York on February 9, 1950.

ITEM 6

All that certain piece or parcel of land and premises situate, lying and being in the Borough and County of Queens, in the City and State of New York, on Rulers Bar Hassock in Jamaica Bay, more particularly bounded and described as follows:

Beginning at a point in the southwesterly line of Cross Bay Boulevard (114.00 feet width), the coordinates of said point being South 70230.16, East 65948.36 and run-

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ning thence (1) Southeastwardly, along said southwesterly line of Cross Bay Boulevard and along the arc of a circle of 4557.00 feet radius, the center of said arc lying to the northeast, said arc being subtended by a central angle of 4°-09'-22.8", the tangent to said arc making an interior angle of 87°-52'-36.6" with course numbered four (4) hereinafter described in this description at its intersection with said course numbered four (4), an arc distance of 330.57 feet to a point on an arc in said southwesterly line of Cross Bay Boulevard, the coordinates of said point being South 70435.28, East 66207.50; thence (2) Southwestwardly, along a line which makes an interior angle of 87°-43'-24.6" with the tangent to the preceding arc at its intersection therewith, 300.00 feet to a point the coordinates of which are South 70669.86, East 66020.49; thence (3) Northwestwardly, along a line which makes an interior angle of 90°-11'-55.2" with the preceding course, 329.23 feet to a point the coordinates of which are South 70465.53, East 65762.35; thence (4) Northeastwardly, along a line which makes an interior angle of 90°-02'-40.8" with the preceding course, 300.00 feet to the point and place of beginning. The area whereof is 98,299 square feet or 2.257 Acres.

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.

Together with the overhead, surface and sub-surface easements necessary for the operation, maintenance, repair and reconstruction of the power and telephone lines and ducts required for the proper operation of the facilities lying within the above described parcel and all accessories thereto.

Said Cross Bay Boulevard being laid down on Alteration Map 2746, adopted by the Board of Estimate and Apportionment of the City of New York on April 11, 1940.

ITEM 7

Parcels for Piers:

A permit for the construction, reconstruction, maintenance, repair and operation of a pier for approach lighting to Runway "C" at New York International Airport in Jamaica Bay, in the Borough and County of Queens, in the City and State of New York in that area more particularly bounded and described as follows:

Pier for Approach Lighting to Runway "C" at New York International Airport

Beginning at a point in the proposed U. S. Pierhead and Bulkhead Line, distant 74.83 feet northwestwardly from the center line of Runway "C" at New York International Airport as aforesaid, measured at right angles thereto, the coordinates of said point being South 61273.932, East 71521.607, and running thence (1) South

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31°-39'-00" West parallel with said center line of said Runway "C" distant 74.83 feet northwestwardly therefrom as aforesaid, parallel with the center line of the Pier for Approach Lighting to said Runway "C", distant 50.00 feet southeastwardly therefrom measured at right angles thereto, 1908.81 feet to a point the coordinates of which are South 62898.844, East 70519.999; thence (2) North 58°-21'-00" West, at right angles to the preceding course, 100.00 feet to a point the coordinates of which are South 62846.371, East 70434.872, said point being distant 50.00 feet northwestwardly from said center line of said Pier aforesaid, measured at right angles thereto; thence (3) North 31°-39'-00" East, parallel with said center line of said Pier and distant 50.00 feet northwestwardly therefrom as aforesaid, at right angles to the preceding course, 1852.51 feet to a point in said U. S. Pierhead and Bulkhead Line, the coordinates of said point being South 61269.388, East 71406.936; thence (4) South 87°-43'-49.2" East, along said U. S. Pierhead and Bulkhead Line aforesaid, 114.76 feet to the point and place of beginning. The area whereof is 183,066 square feet or 4.203 Acres.

A permit for the construction, reconstruction, maintenance, repair and operation of piers for approach lighting to Runway "V" and Middle Marker at New York International Airport in Jamaica Bay, in the Borough and County of Queens, in the City and State of New York in all those areas more particularly bounded and described as follows:

Piers for Approach Lighting to Runway "V" at New York International Airport

Beginning at a point in the proposed U. S. Pierhead and Bulkhead Line, the coordinates of said point being South 61413.92, East 75053.66 and running thence (1) South 87°-43'-49.2" East along said Pierhead and Bulkhead Line, 320.00 feet to a point therein the coordinates of which are South 61426.59, East 75373.41; thence (2) South 0°-51'-00" East, 1679.51 feet to a point the coordinates of which are South 63105.92, East 75398.33; thence (3) North 89°-15'-26.6" West, 440.53 feet to a point the coordinates of which are South 63100.21, East 74957.83; thence (4) North 4°-09'-00" East, 1082.78 feet to a point the coordinates of which are South 62020.28, East 75036.19; thence (5) North 1°-39'-00" East, 606.60 feet to the point and place of beginning. The area whereof is 625,675 square feet or 14.36 Acres.

Middle Marker Parcel

Beginning at a point in Jamaica Bay the coordinates of which are South 63885.25, East 75113.16 and running thence (1) South 88°-21'-00" East, 100.00 feet to a point the coordinates of which are South 63888.13, East 75213.12; thence (2) South 1°-39'-00" West, 100.00 feet to a point the coordinates of which are South 63988.09, East 75210.24; thence (3) North 88°-21'-00" West, 100.00 feet to a point the coordinates of

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which are South 63985.21, East 75110.28; thence (4) North 1°-39'-00" East, 100.00 feet to the point and place of beginning. The area whereof is 10,000 square feet or 0.23 Acres.

Together with the necessary rights for a sub-marine cable extending from the Parcel entitled "Pier for Approach Lighting to Runway 'V' at New York International Airport" to the Parcel entitled "Middle Marker Parcel".

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.

ITEM 8

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

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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.

ITEM 9

All those perpetual overhead, surface and sub-surface easements necessary for the proper operation, maintenance and repair of Lights to Guide Aircraft approaching LaGuardia Field, situate, lying and being in the Borough and County of Queens, in the City and State of New York, within the following described parcels:

Parcel 1 (Poles I, 12, J, K, 13, L, M, 14, N, O, 15, P, Q, R, S and T with sub-surface cables in bed of 25th Avenue)

Beginning at a point in the easterly line of 77th Street, distant 168.55 feet northwardly thereon from the corner formed by the intersection of said easterly line of 77th Street with the northerly line of 30th Avenue and running thence (1) Northwardly, along said easterly line of 77th Street, and along a line which makes an interior angle of 40°-00'-00" with course numbered eight (8) hereinafter described in this description, 7.78 feet; thence (2) Northeastwardly, along a line which makes an interior angle of 140°-00'-00" with the preceding course, 1005.70 feet to the southwesterly line of lot numbered 22 in block numbered 1043; thence (3) Southeastwardly, along said southwesterly line of said lot numbered 22 aforesaid, and along a line which makes an interior angle of 62°-50'-26.5" with the preceding course, 5.62 feet to a point distant 184.41 feet northwestwardly measured along said lot line from its intersection with the westerly line of 80th Street, said intersection being distant 101.52 feet northwardly along said westerly line of 80th Street from the corner formed by the intersection of said westerly line of 80th Street with northerly line of 25th Avenue; thence (4) Southwestwardly, parallel with course numbered two (2) hereinabove described in this description and along a line which makes an interior angle of 117°-09'-33.5" with the preceding course, 419.80 feet to a point distant 20.00 feet northwardly from the southerly line of 25th Avenue, measured at right angles thereto; thence (5) Eastwardly, parallel with said southerly line of 25th Avenue, and along a line which makes an interior angle of 310°-09'-00" with the preceding course, 341.20 feet to a point in the prolongation of said westerly line of 80th Street; thence (6) Southwardly, along said prolongation of said westerly line of 80th Street

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at right angles to the preceding course, 5.00 feet; thence (7) Westwardly, parallel to said southerly line of 25th Avenue, distant 15.00 feet northwardly therefrom, measured at right angles thereto, at right angles to the preceding course, 345.40 feet; thence (8) Southwestwardly, parallel with course numbered two (2) hereinabove described in this description and along a line which makes an interior angle of 230°-00'-00" with the preceding course, 582.80 feet to the point and place of beginning, containing 6,750 square feet more or less or 0.1550 acres.

Together with the right of access to all poles, power lines, lights, ducts and any accessory equipment thereto lying within the above described parcel.

The streets and avenues referred to hereinabove in this description are laid down on the maps showing street system for the territory designated as Sections 8 and 9 of the Final Maps of the Borough of Queens, which maps were adopted by the Board of Estimate and Apportionment of the City of New York on December 12, 1912 and February 8, 1912, respectively.

Parcel 2 (Pole H)

Beginning at a point in the westerly line of 80th Street, distant 275.5 feet southwardly thereon from the corner formed by the intersection of said westerly line of 80th Street with the southerly line of 24th Avenue and running thence (1) Southwardly, along said westerly line of 80th Street, 5.0 feet; thence (2) Westwardly, parallel with said southerly line of 24th Avenue, 37.5 feet; thence (3) Northwardly, parallel with said westerly line of 80th Street, 5.0 feet; thence (4) Eastwardly, parallel with said southerly line of 24th Avenue, 37.5 feet to the point and place of beginning, containing 188 square feet more or less or 0.0043 Acres.

Parcel 3 (Pole 10)

Beginning at a point in the easterly line of 80th Street, distant 94.5 feet southwardly thereon from the corner formed by the intersection of said easterly line of 80th Street with the southerly line of 24th Avenue and running thence (1) Eastwardly, parallel with said southerly line of 24th Avenue, 50.0 feet; thence (2) Southwardly, parallel with said easterly line of 80th Street, 5.0 feet; thence (3) Westwardly, parallel with said southerly line of 24th Avenue, 50.0 feet to said easterly line of 80th Street; thence (4) Northwardly, along said easterly line of 80th Street, 5.0 feet to the point and place of beginning, containing 250 square feet more or less or 0.0057 Acres.

Parcel 4 (Pole E)

Beginning at a point in the southerly line of 24th Avenue, distant 94.0 feet eastwardly thereon from the corner formed by the intersection of said southerly line of 24th Avenue with the easterly line of 80th Street and running thence (1) Eastwardly,

along said southerly line of 24th Avenue, 5.0 feet; thence (2) Southwardly, parallel with said easterly line of 80th Street, 58.0 feet; thence (3) Westwardly, parallel with said southerly line of 24th Avenue, 5.0 feet; thence (4) Northwardly, parallel with said easterly line of 80th Avenue, 58.0 feet to the point and place of beginning, containing 290 square feet more or less or 0.0067 Acres.

Together with the right of access to all poles, power lines, lights, ducts and any accessory equipment thereto lying within the above described parcels.

The street and avenue referred to in the descriptions of Parcels 2, 3 and 4 hereinabove are laid down on the "Map showing Street system for the territory designated as Section 8 of the Final Maps of the Borough of Queens," which map was adopted by the Board of Estimate and Apportionment of the City of New York on December 12, 1912.

Parcel 5 (Pole C)

Beginning at a point in the westerly line of 82d Street, distant 105.5 feet northwardly thereon from the corner formed by the intersection of said westerly line of 82d Street with the northerly line of Astoria Boulevard (130 feet width) and running thence (1) Westwardly, at right angles to said westerly line of 82d Street, 95.0 feet; thence (2) northwardly, at right angles to the preceding course 5.0 feet; thence (3) Eastwardly, at right angles to said westerly line of 82d Street, 95.0 feet to said westerly line of 82d Street; thence (4) Southwardly, along said westerly line of 82d Street, 5.0 feet to the point and place of beginning, containing 475 square feet more or less or 0.0109 Acres.

Parcel 6 (Pole G)

Beginning at a point in the easterly line of 82d Street, distant 80.0 feet Southwardly thereon from the corner formed by the intersection of said easterly line of 82d Street with the southerly line of Grand Central Parkway and running thence (1) Eastwardly, at right angles to said easterly line of 82d Street, 65.0 feet; thence (2) Southwardly, at right angles to the preceding course, 5.0 feet; thence (3) Westwardly, at right angles to said easterly line of 82d Street, 65.0 feet to said easterly line of 82d Street; thence (4) Northwardly, along said easterly line of 82d Street, 5.0 feet to the point and place of beginning, containing 325 square feet more or less, or 0.0075 Acres.

Parcel 7 (Pole A)

Beginning at a point in the southerly line of Grand Central Parkway, distant 96.28 feet westwardly thereon from the corner formed by the intersection of said southerly line of Grand Central Parkway with the westerly line of 83d Street and

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running thence (1) Southwardly, parallel with said westerly line of 83d Street, 58.48 feet; thence (2) Westwardly, at right angles to the preceding course, 5.0 feet; thence (3) Northwardly, parallel to said westerly line of 83d Street, 57.42 feet to said southerly line of Grand Central Parkway; thence (4) Eastwardly, along said southerly line of Grand Central Parkway, 5.11 feet to the point and place of beginning, containing 290 square feet more or less or 0.0067 Acres.

Together with the right of access to all poles, power lines, lights, ducts and any accessory equipment thereto lying within the above described parcels.

The streets, boulevard and parkway referred to in the descriptions of Parcels 5, 6 and 7 hereinabove are laid down on the "Map showing street system for the territory designated as Section 8 of the Final Maps of the Borough of Queens," which map was adopted by the Board of Estimate and Apportionment of the City of New York on December 12, 1912.

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THE CITY OF NEW YORK

and

THE PORT OF NEW YORK AUTHORITY

THIRD SUPPLEMENTAL AGREEMENT

With Respect to

MUNICIPAL AIR TERMINALS

Dated May 28, 1956

Agreement (hereinafter referred to as "Third Supplemental Agreement") made as of this 28th day of May, 1956, by and between The City of New York, a municipal corporation of the State of New York, with its principal office at the City Hall, in the Borough of Manhattan, City of New York (hereinafter referred to as the "City") and The Port of New York Authority, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter referred to as the "Port Authority"),

Witnesseth, That:

Whereas, under date of April 17, 1947, the City and the Port Authority entered into an Agreement with respect to Municipal Air Terminals (hereinafter referred to as the "Original Agreement"), the execution of which by the City was authorized by resolution duly adopted by its Board of Estimate on April 17, 1947 (Cal. No. 5), and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on April 17, 1947, and

Whereas, under date of May 26, 1949, the City and the Port Authority entered into an agreement (hereinafter referred to as the "First Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said First Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on May 26, 1949 (Cal. No. 137) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on May 12, 1949, and

Whereas, under date of November 7, 1952, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Second Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Second Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on October 23, 1952 (Cal. No. 27) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on August 14, 1952, and

Whereas, it is necessary and desirable that certain of the terms, conditions and provisions of said Original Agreement should be further modified, amended and supplemented,

Now, Therefore, for and in consideration of the agreements and covenants herein contained the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns that said Original Agreement shall be and it is hereby supplemented and amended as follows:

I. Definitions

Except as hereinafter expressly provided any words or phrases used in this Third Supplemental Agreement and specifically defined in the Original Agreement shall be read and construed in accordance with the definition in the Original Agreement.

II. Discharge of Obligation of City to Acquire Parcel 6—New York International Airport

The City is hereby wholly relieved and discharged of its obligation under the Original Agreement, as modified by the Second Supplemental Agreement, to acquire by condemnation the parcel designated as "6" and shown colored in yellow and by hatching on Supplemental Map II-A annexed to the Second Supplemental Agreement. There shall be no reduction in rent or in the Port Authority's obligation under paragraph 19 of the Original Agreement by reason of this discharge and release of the above described obligation of the City.

III. Nassau Expressway—New York International Airport

Section 2 of the Original Agreement as amended and supplemented by the Second Supplemental Agreement is hereby amended by substituting the following in the place and stead of the last paragraph thereof:

> "If within ten (10) years from the date of the Second Supplemental Agreement the construction of Nassau Expressway has been authorized and actually started the Port Authority hereby consents to the reduction of the demised premises to the extent of the strip shown colored in orange and by hatching on Supplemental Map II-A annexed to the said Second Supplemental Agreement, *provided*, that said strip shall be held by the City for and during the term for which the demised premises are leased, for street, park or expressway purposes and for no other purpose or purposes whatsoever, and *provided, further,* that access between the Expressway and the demised premises shall be provided at the two points designated as 'Access No. 1' and 'Access No. 2' on said Supplemental Map No. II-A and that traffic interchange facilities between said Expressway, the intersecting streets and the demised premises shall be provided at the two points designated as 'Traffic Interchange No. 1' and 'Traffic Interchange No. 2'

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on said Supplemental Map II-A. The Port Authority shall have the right at its own cost and expense to install and maintain in and under the Expressway such utility facilities as it shall deem necessary in connection with its use of the demised premises whether the same shall be installed before, during or after the construction of the Expressway, *provided,* that they shall be located therein and thereunder at places agreed upon between the City and the Port Authority and shall be installed pursuant to plans and specifications which shall be subject to approval by the Chief Engineer of the Board of Estimate (which approval shall not be unreasonably withheld), *provided, further,* that the Port Authority shall proceed with the work of installing such utility facilities in such manner as to minimize, as much as it reasonably can, interference with vehicular traffic upon said Expressway and shall, without cost or expense to the City, and with reasonable promptness after the completion of the work of installing such utility facilities, restore to as good a condition as existed immediately prior to the commencement of the work, so much of the improved surface of the Expressway as may be damaged by such work. All work of protecting in place and relocating such utility facilities by reason of the Expressway construction shall be done without cost or expense to the Port Authority."

IV. SUBSTITUTED SCHEDULE A

The schedule marked "Substituted Schedule A" annexed to the Second Supplemental Agreement is hereby amended and supplemented by adding as Item 10 thereof the "Supplement to Substituted Schedule A" annexed hereto. Whenever in the Original Agreement reference is made to Schedule A, such reference shall be construed to refer to said Substituted Schedule A as amended and supplemented hereby.

V. SURRENDER OF PORTION OF DEMISED PREMISES—NEW YORK INTERNATIONAL AIRPORT—ADDITIONAL LANDS

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described in the "Supplement to Substituted Schedule A" attached hereto, and all the estate, right, title, interest, term of years, property, claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, upon the conditions following, to wit: during the term for which the demised premises are leased,

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1. the Port Authority and the Civil Aeronautics Administration shall have the right, without cost or expense to the City, to install, maintain, operate, relocate or replace in, under and upon the premises herein surrendered, including any city streets which may be within the boundaries thereof, such approach lighting systems and other aids to avigation and facilities incidental thereto as shall be necessary or desirable in the opinion of the Port Authority for the safe and efficient operation of New York International Airport, at locations therein which the Port Authority shall deem appropriate therefor, and the Port Authority and the Civil Aeronautics Administration, its and their duly designated employees, contractors and agents shall have the right at all times to enter upon the said premises to inspect the condition thereof and to enter thereon with men, equipment, trucks and vehicles in order to effect the installation, repair, replacement, expansion and relocation of such approach lighting systems, other aids to avigation, and facilities incidental thereto; any facilities so installed by the Port Authority shall at all times be maintained by it without cost to the City;

2. the City shall not develop or use the premises herein surrendered nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and efficient operation and development of New York International Airport or the normal flight operations of aircraft; the City shall, at the request of the Port Authority, abate any smoke or vapor; the City 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 avigation without the prior approval of the Port Authority; the City shall not, except with the express written consent of the Port Authority, furnish any services or operate any facility upon the said premises for the accommodation and convenience of its invitees and employees or those of its contractors, agents, licensees, and permittees which would be or tend to be competitive with the furnishing of services or the operation of facilities at New York International Airport by the Port Authority or its tenants, licensees, permittees or agents for the accommodation and convenience of its and their invitees and employees, *provided, however,* that the City may, without the express written consent of the Port Authority but subject to the other conditions of this surrender, provide, operate, maintain or 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;

and 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 Civil Aeronautics Administration;

3. the Port Authority may permit the occupants of the various buildings within the premises herein surrendered to remain in occupancy thereof and the Port Authority shall have the right to continue to collect and retain for its own account the payments for use and occupancy or the rents therefor until such time as the Port Authority shall terminate said occupancies and demolish or remove said buildings from said premises, *provided,* that, upon ninety (90) days' written notice from the City, the Port Authority shall take all reasonably practicable steps to terminate any occupancy and demolish or remove any building which may be specified in any such notice, *provided, further,* however, that, inasmuch as the building situated within Lot 64 of Block 13435 of Section 56 of the Tax Map of The City of New York for the Borough of Queens, as said Tax Map was on May 25, 1953, is being used in connection with operations at New York International Airport, no such notice shall be given by the City with respect to the termination of said occupancy or the demolition or removal of said building during the six month period beginning on the date of execution of this Third Supplemental Agreement. The Port Authority shall have the right to collect and retain for its own account the proceeds of the sale of such buildings and the fixtures therein contained; and

4. the City shall not place fill in or upon the premises surrendered in accordance with Section V of this Third Supplemental Agreement or place any structures thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, *provided,* that such approval shall not be withheld unreasonably.

VI. Surrender of Surplus Parcel—Item 5—Substituted Schedule A

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described as Item 5 in the Substituted Schedule A attached to the Second Supplemental Agreement, and all the estate, right, title, interest, term of years, property, claims and demands whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever.

VII. Rent

There shall be no reduction in rent or the Port Authority's obligations under the agreement with respect to Municipal Airports as amended and supplemented by reason of the release or surrender of any of the premises herein provided for.

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 Mayor; 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, the day and year first above written.

Attest:

Thomas A. Levane (Sgd.)
Acting City Clerk

(Seal)

The City of New York

Robert F. Wagner (Sgd.)
Mayor

Attest:

Joseph G. Canty (Sgd.)
Secretary

(Seal)

The Port of New York Authority

Austin J. Tobin (Sgd.)
Executive Director

Approved as to Form

Peter Campbell Brown (Sgd.)
Corporation Counsel

Approved as to Form

Sidney Goldstein (Sgd.)
General Counsel

SWA H E O'D

R C S

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

On this 31st day of May, 1956, before me personally came THOMAS A. LEVANE, with whom I am personally acquainted, and known to me to be the Acting City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn, did depose and say that he resides at 25 Indian Road, Borough of Manhattan, City of New York; that he is the Acting City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knew the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Estimate, and that he signed his name thereto as Acting City Clerk by like authority; and further that he knows and is acquainted with ROBERT F. WAGNER, and knows him to be the person described in and who as Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe and execute the same, and that he acknowledged to him, the said THOMAS A. LEVANE, that he executed the same, and he, the said THOMAS A. LEVANE thereupon subscribed his name thereto.

JOSEPH A. FANELLI (Sgd.)
Notary Public
JOSEPH A. FANELLI
Commissioner of Deeds, City of New York
New York County Clerk's No. 19
Commission Expires March 15, 1957.

(SEAL)

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

On this 11th day of May, 1956, before me personally came and appeared AUSTIN J. TOBIN, to me known, who being by me duly sworn, did depose and say that he resides at 320 Central Park West, New York 25, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY; and that he signed his name thereto by like order.

SHICKREY ANTON (Sgd.)
SHICKREY ANTON
Notary Public, State of New York
No. 30-0081525
Qualified in Nassau County
Commission Expires March 30, 1957

(SEAL)

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SUPPLEMENT TO SUBSTITUTED SCHEDULE A

ITEM 10

All those lots, pieces or parcels 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:

PARCEL A

BEGINNING at a point which is the intersection of the northerly line of Rockaway Boulevard as now legally opened with the southerly extension of the center line of Walbridge Street (now sometimes known as Springfield Boulevard) as shown on the "Map of the Higbie Addition, Sheffield Manor, 4th Ward, Borough of Queens" surveyed July 1906 by Alex D. Murphy and amended for the Title Guarantee & Trust Company by E. W. Conklin, surveyed December 1906 and filed as Map #135 in the Register's Office, County of Queens and running thence

(1) northwardly, along said center line of Walbridge Street as extended and along said center line of Walbridge Street 1580 feet more or less to an extension of the southerly line of Lot 25 in Block 17 as shown on said Map of the Higbie Addition; thence

(2) eastwardly, along said southerly line of Lot 25 and the extension thereof 132 feet more or less to the westerly line of lands now or formerly of George Wagner being also the easterly line of Lot 26 in Block 17 as shown on said Map of the Higbie Addition; thence

(3) southwardly, along said westerly line of lands now or formerly of George Wagner 10 feet more or less to a point in the southerly line of said lands now or formerly of George Wagner; thence

(4) eastwardly, along said southerly line of lands now or formerly of George Wagner being also the northerly line of lands now or formerly of J. & S. Jeanetti and along the extension thereof 260 feet more or less to the center line of Springfield Lane (60 foot width) as shown on the "Map of Kinsey Park, Property of Land Estates Incorp. situated at Springfield in the Fourth Ward, Borough of Queens, City and State of New York" surveyed April 27, 1922, by Raymond Page, City Surveyor, and filed as Map #4286 in the Register's Office, County of Queens; thence

(5) along said center line of Springfield Lane (60 foot width) 6 feet more or less to an extension of the southerly line of lands now or formerly of Herbert H. Reynolds, being also an extension of the southerly line of Lot 29 in Block 1 as shown on said Map of Kinsey Park; thence

(6) eastwardly, along the southerly line of lands now or formerly of Herbert H. Reynolds, Joseph Hallahan and Mary Bazzano and the extension thereof being also the southerly line of Lots 29 and 30 in Block 1, Lots 15 and 42 in Block 2 and the extension thereof as shown on said Map of Kinsey Park 518 feet more or less to the easterly line of 207th Street as shown on said Map of Kinsey Park; thence

(7) southwardly, along said easterly line of 207th Street 22 feet more or less to the southerly line of lands now or formerly of Lottie Johannsen being also the southerly line of Lot 31 in Block 3 as shown on said Map of Kinsey Park; thence

(8) eastwardly, along said southerly line of lands now or formerly of Lottie Johannsen being also the southerly line of Lots 31 and 43 in Block 3 as shown on said Map of Kinsey Park and along the extension thereof 220 feet more or less to the center line of 208th Street (80 foot width) as shown on said Map of Kinsey Park (sometimes known as 225th Street); thence

(9) southwardly, along said center line of 208th Street 78 feet more or less to an extension of the southerly line of lands now or formerly of Theodore Wagenblast being also an extension of the southerly line of Lot 17 in Block 5 as shown on said Map of Kinsey Park; thence

(10) eastwardly, along said southerly line of Theodore Wagenblast and its extension 130 feet more or less to the westerly line of lands now or formerly of Chiarina Regolini being also the westerly line of Lots 25, 26, 27, 28 and 29 in Block 5 as shown on said Map of Kinsey Park; thence

(11) southwardly, along said westerly line of lands now or formerly of Chiarina Regolini a distance of 120 feet more or less to the southerly line of lands now or formerly of Chiarina Regolini being also the southerly line of Lot 25 in Block 5 as shown on said Map of Kinsey Park; thence

(12) eastwardly, along said southerly line of lands now or formerly of Chiarina Regolini, Salvatore and Anthony Simonetti and the White Co. being also the southerly line of Lot 25 in Block 5, Lots 21, 22 and 23 in Block 7 and Lots 18, 19 and 20 in Block 9 all as shown on said Map of Kinsey Park a distance

of 660 feet more or less to the center line of 211th Street (60 foot width) as shown on said Map of Kinsey Park; thence

(13) southwardly, along an extension of said center line of 211th Street as shown on said Map of Kinsey Park 2040 feet more or less to the northerly line of Rockaway Boulevard as now legally opened; thence

(14) westwardly, along said northerly line of Rockaway Boulevard 1820 feet more or less to the point and place of BEGINNING.

PARCEL B

BEGINNING at a point which is the intersection of the extension of the center line 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, and running thence

(1) southwardly, along said center line of 215th Street and the extension thereof, 1832 feet more or less to the northerly line of Rockaway Boulevard as now legally opened; thence

(2) eastwardly, along said northerly line of Rockaway Boulevard, 1851 feet more or less to the center line of 238th Street (60 foot width) as shown on a map entitled "City of N. Y., Borough of Queens, Office of the President, Topographical Bureau, Map No. 3091, The Relocation of Rockaway Boulevard, in the Fourth Ward, New York, Aug. 5, 1948," etc., filed in the Register's Office, Queens County as Map #8131; thence

(3) northwardly, along said center line of 238th Street and along the extension thereof, parallel with course numbered one (1) hereinabove described 1370 feet; thence

(4) eastwardly, at right angles to the preceding course, 265 feet; thence

(5) northwardly, at right angles to the preceding course, 410 feet more or less to a point in the westerly line of Brookville Boulevard as now legally opened, formerly known as Foster's Meadow Road; thence

(6) northwardly, along said westerly line of Brookville Boulevard, 775 feet more or less to the center line of John Street (40 foot width) as shown on a

map entitled "E. E. Meacham & Sons, South Rosedale, Fourth Ward, Borough of Queens, Surveyed and Subdivided by H. S. Thomson, City Surveyor," dated Feb. 1st, 1907, and filed in the Register's Office, Queens County as Map #989 (old) and 1183 (new); thence

(7) westwardly, along said center line of John Street and along a line in extension thereof, 595 feet more or less to the intersection with a line in extension of the center line of 149th Avenue as shown on said Map of Jamaica Gardens South; thence

(8) westwardly, along said extension of the center line of 149th Avenue and along said center line of 149th Avenue, 1073 feet more or less to the point and place of BEGINNING.

PARCEL C

ALL that certain plot, piece or parcel of land situate, lying and being at or near Springfield, in the 4th Ward, Borough of Queens, County of Queens, City and State of New York, bounded and described as follows:

BEGINNING at a stake driven in the ground where the northeasterly side of Rockaway Boulevard (formerly Turnpike) intersects the center line of an old ditch which said center line of said ditch is the southeasterly line of land now or formerly of John L. Compton; thence from said point of beginning running thence North 20 degrees 20 minutes East along the center line of said ditch 373.76 feet to a stake driven in the ground at a point where said center line of said ditch intersects the center line of another certain old ditch; thence North 62 degrees 56 minutes 20 seconds East along the center line of said last mentioned ditch through a stake, a line of old posts and old stake and another stake, along the southerly line of land now or formerly of Kornville, Isaac Baylis & Nicholas Clement, respectively, 1356 feet more or less to a small brook adjoining the southwesterly line of land now or formerly of Nicholas Ludlum; thence Easterly, Southeasterly, Easterly and Southeasterly, along the center line of said small brook adjoining the land now or formerly of said Ludlum as it winds and turns, 275 feet more or less to a point where the same is intersected by the center line of another certain old ditch adjoining the land now or formerly of Burdett C. Douglas; thence South 67 degrees 25 minutes 5 seconds West through an old stake and center line of a ditch adjoining the northerly line of land now or formerly of said Douglas 1456 feet more or less to a point where said center line of said last mentioned ditch intersects the center line of a certain slough or creek adjoining the westerly line of land of said Douglas; thence Southerly, Southeasterly and Southwesterly along the center line of the last men-

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tioned creek and along the westerly line of now or formerly Douglas, land now or formerly of Wright B. Higbie and land formerly of Derrick Remsen, 255 feet more or less to a point where the same is intersected by the northwesterly boundary line of land now or formerly of Frank Muller; thence South 17 degrees 29 minutes West through a stake in said line of land of Muller 243 feet more or less to a stake in the ground on the northeasterly side of Rockaway Boulevard; and thence North 45 degrees 55 minutes West along the said northeasterly side of Rockaway Boulevard 250.8 feet to the point or place of BEGINNING.

SUBJECT, however, to the following:

1. Outstanding title in any of the parcels herein in the People of the State of New York and liens and encumbrances in favor of the People of the State of New York which reduce the estate or interest of any of the former owners.

2. Encroachments, if any, upon the premises herein described of any structures and appurtenances standing or maintained partly upon the premises herein described and partly upon adjoining premises.

3. Any state of facts which an accurate survey may show.

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THE CITY OF NEW YORK

AND

THE PORT OF NEW YORK AUTHORITY

FOURTH SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

Dated November 6, 1958

AGREEMENT (hereinafter referred to as "Fourth Supplemental Agreement") made as of this 6th day of [illegible], 1958, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York, with its principal office at the City Hall, in the Borough of Manhattan, City of New York (hereinafter referred to as the "City") and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter referred to as the "Port Authority"),

WITNESSETH, That:

WHEREAS, under date of April 17, 1947, the City and the Port Authority entered into an Agreement with respect to Municipal Air Terminals (hereinafter referred to as the "Original Agreement"), the execution of which by the City was authorized by resolution duly adopted by its Board of Estimate on April 17, 1947 (Cal. No. 5) and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on April 17, 1947, and

WHEREAS, under date of May 26, 1949, the City and the Port Authority entered into an agreement (hereinafter referred to as the "First Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said First Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on May 26, 1949 (Cal. No. 137) and the execution thereof by the Port Authority having been authoriz by resolution duly adopted by its Board of Commissioners on May 12, 1949, and

WHEREAS, under date of November 7, 1952, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Second Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Second Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on October 23, 1952 (Cal. No. 27) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on August 14, 1952, and

WHEREAS, under date of May 28, 1956, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Third Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Third Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on April 26, 1956 (Cal. No. 111) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on May 10, 1956, and

WHEREAS, it is necessary and desirable that certain of the terms, conditions and provisions of said Original Agreement should be further modified, amended and supplemented,

NOW, THEREFORE, for and in consideration of the agreements and covenants herein contained, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns that said Original Agreement shall be and it is hereby supplemented and amended as follows:

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I. DEFINITIONS

Except as hereinafter expressly provided any words or phrases used in this Fourth Supplemental Agreement and specifically defined in the Original Agreement shall be read and construed in accordance with the definition in the Original Agreement.

II. SUBSTITUTED SCHEDULE A

The schedule marked "Substituted Schedule A" annexed to the Second Supplemental Agreement and amended and supplemented by the Third Supplemental Agreement is hereby further amended and supplemented by adding as Items 11, 12 and 13 thereof, the "Supplement to Substituted Schedule A" annexed hereto. Whenever in the Original Agreement reference is made to Schedule A, such reference shall be construed to refer to said Substituted Schedule A as substituted by the Second Supplemental Agreement, amended and supplemented by the Third Supplemental Agreement and as amended and supplemented hereby.

III. SURRENDER OF PORTION OF DEMISED PREMISES - LA GUARDIA AIRPORT - ADDITIONAL LANDS

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described in Item 13 of the "Supplement to Substituted Schedule A" attached hereto, and all the estate, right, title, interest, term of years, property, claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, upon the conditions following, to wit during the term for which the demised premises are leased,

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1. the Port Authority and the Civil Aeronautics Administration shall have the right, without cost or expense to the City, to install, maintain, operate, relocate or replace in, under and upon the premises herein surrendered, including any city streets which may be within the boundaries thereof, such approach lighting systems and other aids to avigation and facilities incidental thereto as shall be necessary or desirable in the opinion of the Port Authority or of the Civil Aeronautics Administration for the safe and efficient operation of La Guardia Airport, at locations therein which the Port Authority shall deem appropriate therefor, and the Port Authority and the Civil Aeronautics Administration, its and their duly designated employees, contractors and agents shall have the right at all times to enter upon the said premises to inspect the condition thereof and to enter thereon with men, equipment, trucks and vehicles in order to effect the installation, repair, replacement, expansion and relocation of such approach lighting systems, other aids to avigation, and facilities incidental thereto;

2. the City shall use the premises herein surrendered for park purposes and for no other purpose whatseever; the City shall not develop or use the premises herein surrendered nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and efficient operation and development of La Guardia Airport or the safe and unrestricted passage of aircraft in and over the same; the City shall abate any smoke or vapor, at the request of the Port Authority; the City shall not erect, install or maintain any structure, building, tower, pole, wire or other object the construction, maintenance or operation of which would constitute a hazard to avigation in the opinion of the Port Authority;

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3. 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 or maintained by or on behalf of the Port Authority or the Civil Aeronautics Administration; and

4. the City shall not place fill in or upon the premises surrendered by Section III of this Fourth Supplemental Agreement or place any structures or buildings thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, provided that such approval shall not be withheld unreasonably.

IV. SURRENDER OF SURPLUS PARCEL - ITEM 9 - SUBSTITUTED SCHEDULE A

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described as Item 9 in the Substituted Schedule A attached to the Second Supplemental Agreement and all the estate, right, title, interest, term of years, property claims and demands whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever.

V. LEASE OF ADDITIONAL DEMISED PREMISES - NEW YORK INTERNATIONAL AIRPORT - LANDS UNDER WATER

The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City, for air terminal purposes and for purposes incidental thereto, so much of the additional lands shown by hatching on the map of New York International Airport annexed hereto marked "Supplemental Map II-B" as are owned by the City, to have and to hold unto the Port Authority from the date of this Fourth Supplemental Agreement until the expiration or sooner termination of the Original Agreement, subject to all of the terms, covenants and conditions set forth in the said Original Agreement.

In the event that it should be necessary for an application to be made to the State of New York to remove any cloud upon the title of the City with respect to said premises, the City shall cooperate with the Port Authority with respect to any and all applications, measures or other action appropriate for the effectuation of said purpose.

VI. RENT

There shall be no reduction in rent or the Port Authority's obligations under the agreement with respect to the Municipal Air Terminals as amended and supplemented by reason of the release or surrender of any of the premises herein provided for.

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 Mayor; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this

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Agreement to be signed by its Executive Director, the day and year first above written.

Attest:

/s/ [illegible]
City Clerk

THE CITY OF NEW YORK

/s/ [illegible]
Deputy Mayor

Attest:

/s/ [illegible]
Secretary

THE PORT OF NEW YORK AUTHORITY

/s/ [illegible]
Executive Director

Approved as to Form

[illegible]
Corporation Counsel

(Original)

Approved as to Form

[illegible]
Asst. General Counsel

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

On this 6th day of November, 1958, before me personally came and appeared AUSTIN J. TOBIN, to me known, who being by me duly sworn, did depose and say that he resides at 320 Central Park West, New York 25, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY and that he signed his name thereto by like order.

/s/ ALBERT J. BUCKLEY

ALBERT J. BUCKLEY
NOTARY PUBLIC STATE OF NEW YORK
NO. 60-0479065
QUALIFIED IN WESTCHESTER COUNTY
COMMISSION EXPIRES MARCH 30, 1960

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

On the 19th day of March, 1958, before me personally came HERMAN KATZ, with whom I am personally acquainted, and known to me to be the City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn did depose and say that he resides at 308 East 79th Street, Borough of Manhattan, City of New York; that he is the City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knew the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Estimate, and that he signed his name thereto as City Clerk by like authority; and further that he knows and is acquainted with ROBERT T. WAGNER and knows him to be the person described in and who as Deputy Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe and execute the same, and that he acknowledged to him, the said HERMAN KATZ, that he executed the same, and he, the said HERMAN KATZ thereupon subscribed his name hereto.

[illegible] Freedman
Frieda Freedman
Commissioner of Deeds, City of New York
by County Clerk No. 6?
Commission Expires Oct 8, [illegible]

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SUPPLEMENT TO SUBSTITUTED SCHEDULE A

ITEM 11

PIER FOR APPROACH LIGHTING TO RUNWAY "V PRIME" AT NEW YORK INTERNATIONAL AIRPORT

A permit for the construction, reconstruction, maintenance, repair and operation of a pier for approach lighting to Runway "V Prime" at New York International Airport in Jamaica Bay, in the Borough and County of Queens, in the City and State of New York, in that area more particularly bounded and described as follows:

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 500.00 feet thereon from the southerly end of said runway, the coordinates of said point being South 61,423.13, East 78,235.35 and running thence (1) South 88°-21' East, 50.00 feet to a point, the coordinates of said point being South 61,424.57, East 78,285.33; 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, 2510.00 feet to a point, the coordinates of said point being South 63,933.53, East 78,213.05; thence (3) North 88°-21' West, 100.00 feet to a point, the coordinates of said point being South 63,930.65, East 78,113.09; 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, 2510.00 feet to a point, the coordinates of said point being South 61,421.69, East 78,185.37; thence (5) South 88°-21' East, 50.00 feet to the point and place of beginning, the area whereof is 5.76 acres more or less.

Bearings of lines and coordinates as herein described refer to the rectangular system in use in the Borough of Queens which refers to the former Southeasterly corner of 10th Avenue and West 225th Street in the Borough of Manhattan as origin and the former easterly line of 10th Avenue as meridian or principal axis, the latter being inclined 28°-59'-13.5"± eastward or clockwise from the axis of the Brooklyn system, which is the meridian through United States Coast & Geodetic Station "Prospect Water Tower".

ITEM 12

MIDDLE MARKER PARCEL - RUNWAY "V PRIME" - NEW YORK INTERNATIONAL AIRPORT

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 and 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.

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Together with the necessary rights for a submarine cable extending from the parcel entitled "Pier for Approach Lighting to Runway 'V Prime' at New York International Airport" to the parcel entitled "Middle Marker Parcel - Runway 'V Prime' - New York International Airport".

Bearings of lines and coordinates as herein described refer to the rectangular system in use in the Borough of Queens which refers to the former Southeasterly corner of 10th Avenue and West 225th Street in the Borough of Manhattan as origin and the former easterly line of 10th Avenue as meridian or principal axis, the latter being inclined 28°-59'-13.5"± eastward or clockwise from the axis of the Brooklyn system, which is the meridian through United States Coast & Geodetic Station "Prospect Water Tower".

ITEM 13

ALL those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

PARCEL 1

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) Southwestwardly,

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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°-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°-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°-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°-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°-56'-00" with the preceding course, at right angles 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.

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PARCEL 2

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°-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°-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 3

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

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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°-46'-03" with the preceding course, 108.49 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°-13'-57" with the preceding course, 104.29 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 4

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 line 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

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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 Strnad 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 5

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.

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PARCEL 6

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, 133.44 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, 100.00 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.

PARCEL 7

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 (1) Eastwardly, along said southerly line of Grand Central Parkway and along the northerly line of lands conveyed by Feldwood Realty Corporation to the Port of New York Authority by Deed dated November 28, 1956 and Recorded in the Register's Office of Queens County on November 29, 1956 in Liber 6932 of Deeds at page 295 therein, 202.92 feet to the westerly line of 82nd Street (60.00 feet wide); thence (2) Southwardly, along said westerly line of 82nd Street, 155.22 feet to the southerly line of lands conveyed as aforesaid; thence (3) Westwardly, along said southerly line of lands conveyed as aforesaid, 200.00 feet to said easterly line of 81st Street; thence (4) Northwardly, along said easterly line of 81st Street, 119.07 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 8

BEGINNING at a point which is the intersection of the easterly line of 82nd Street (60.00 feet wide) with the northerly line of Astoria Boulevard (130.00 feet wide) and running thence (1) Northwardly, along said easterly line of 82nd Street, 296.57 feet to the northerly line of lands acquired by The Port of New York Authority in Condemnation Proceeding in which title vested on June 6, 1956; thence (2) Eastwardly, along said northerly line of lands so acquired, 200.01 feet to the westerly line of

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83rd Street (60.00 feet wide); thence (3) Southwardly, along said westerly line of 83rd Street, 167.83 feet to the southerly line of lands acquired by condemnation as aforesaid; thence (4) Westwardly, along said southerly line of lands so acquired, 107.29 feet to the easterly line of lands so acquired; thence (5) Southwardly, along said easterly line of lands acquired by condemnation as aforesaid and along the easterly line of lands conveyed by Kunigunda Rickel & Louise S. Grimm by Deeds dated July 14 and 19, 1956 and September 24, 1956 and Recorded severally in the Register's Office of Queens County on July 26, 1956 in Liber 6897 at pages 57 & 59 therein and on October 4, 1956 in Liber 6917 at pages 611 and 613 therein, 173.89 feet to said northerly line of Astoria Boulevard; thence (6) Westwardly, along said northerly line of Astoria Boulevard, 127.72 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 9

BEGINNING at a point which is the intersection of the easterly line of 83rd Street (60.00 feet wide) with the southerly line of Grand Central Parkway as in use being also the northwesterly corner of lands acquired by The Port of New York Authority in a Condemnation Proceeding in which title vested on June 6, 1956 and running thence (1) Eastwardly, along said southerly line of Grand Central Parkway and along the northerly line of lands acquired as aforesaid and along the northerly line of lands conveyed by Barkin Levin & Co., Inc. to The Port of New York Authority by Deed dated July 20, 1956

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and Recorded in the Register's Office of Queens County on July 27, 1956 in Liber 6895 of Deeds at page 549 therein, along the arc of a circle of 6603.00 feet radius the center of said arc lying to the south an arc distance of 262.64 feet to a point of compound curvature; thence (2) Eastwardly, continuing along said northerly line of lands conveyed as aforesaid and along said southerly line of Grand Central Parkway along the arc of a circle of 270.00 feet radius, the center of said arc lying to the south an arc distance of 188.49 feet to another point of compound curvature; thence (3) Eastwardly and Southwardly along said southerly line of Grand Central Parkway and said northerly line of lands conveyed as aforesaid, along the arc of a circle of 44.176 feet radius, the center of said arc lying to the south, an arc distance of 30.89 feet to a point in the westerly line of 85th Street (60.00 feet wide); thence (4) Southwardly, along said westerly line of 85th Street and along the easterly line of lands conveyed as aforesaid, 258.23 feet to the southerly line of lands conveyed as aforesaid; thence (5) Westwardly, along said southerly line of lands conveyed as aforesaid, 360.00 feet to the easterly line of lands conveyed as aforesaid; thence (6) Southwardly, along said easterly line of lands so conveyed, 41.38 feet to the southerly line of lands so conveyed; thence (7) Westwardly, along said southerly line of lands so conveyed, 100.00 feet to said easterly line of 83rd Street; thence (8) Northwardly, along said easterly line of 83rd Street, 269.32 feet to the point and place of BEGINNING.

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THIS INDENTURE, made the 6th day of [illegible] 1958, between THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of Congress, having its office at 111 Eighth Avenue, Borough of Manhattan, City, County and State of New York, (hereinafter referred to as the "Port Authority") and THE CITY OF NEW YORK, a municipal corporation of the State of New York, having its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (hereinafter referred to as the "City"),

WHEREAS, the Agreement between the Port Authority and the City with respect to Municipal Air Terminals dated April 17, 1947, which Agreement was recorded on the 22nd day of May, 1947, in the office of the Register of the City of New York (Queens County) in Liber 5402 of Conveyances, page 319, provides among other things that the Port Authority shall convey to the City any lands or interests therein which it acquires for use in extension of the Municipal Air Terminals or for use in maintaining airplane beacons, guides or other aids to avigation, and that thereupon such property shall become part of the premises demised to the Port Authority under said Agreement; and

WHEREAS, the Port Authority has acquired for municipal air terminal purposes the lands hereinafter described, subject to the encumbrances and exceptions specified herein,

NOW, THEREFORE, WITNESSETH, that 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:

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all those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

PARCEL 1

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) Southwestwardly, 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°-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°-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°-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°-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°-56'-00" with the preceding course, at right angles 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 2

BEGINNING at a point which is the interestion 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°-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°-00'-40" with the preceding course, 121.34 feet to the point and place of BEGINNING.

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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 3

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°-46'-03" with the preceding course, 108.49 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°-13'-57" with the preceding course, 104.29 feet to the westerly line of 80th Street (60.00 feet wide); thence (5) Southwardly, along said

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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 4

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 line 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

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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 cener 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 Strnad 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.

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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 5

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.

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PARCEL 6

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, 133.44 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, 100.00 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.

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PARCEL 7

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 (1) Eastwardly, along said southerly line of Grand Central Parkway and along the northerly line of lands conveyed by Feldwood Realty Corporation to the Port of New York Authority by Deed dated November 28, 1956 and Recorded in the Register's Office of Queens County on November 29, 1956 in Liber 6932 of Deeds at page 295 therein, 202.92 feet to the westerly line of 82nd Street (60.00 feet wide); thence (2) Southwardly, along said westerly line of 82nd Street, 155.22 feet to the southerly line of lands conveyed as aforesaid; thence (3) Westwardly, along said southerly line of lands conveyed as aforesaid, 200.00 feet to said easterly line of 81st Street; thence (4) Northwardly, along said easterly line of 81st Street, 119.07 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.

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PARCEL 8

BEGINNING at a point which is the intersection of the easterly line of 82nd Street (60.00 feet wide) with the northerly line of Astoria Boulevard (130.00 feet wide) and running thence (1) Northwardly, along said easterly line of 82nd Street, 296.57 feet to the northerly line of lands acquired by The Port of New York Authority in Condemnation Proceeding in which title vested on June 6, 1956; thence (2) Eastwardly, along said northerly line of lands so acquired, 200.01 feet to the westerly line of 83rd Street (60.00 feet wide); thence (3) Southwardly, along said westerly line of 83rd Street, 167.83 feet to the southerly line of lands acquired by condemnation as aforesaid; thence (4) Westwardly, along said southerly line of lands so acquired, 107.29 feet to the easterly line of lands so acquired; thence (5) Southwardly, along said easterly line of lands acquired by condemnation as aforesaid and along the easterly line of lands conveyed by Kunigunda Rickel & Louise S. Grimm by Deeds dated July 14 and 19, 1956 and September 24, 1956 and Recorded severally in the Register's Office of Queens County on July 26, 1956 in Liber 6897 at pages 57 & 59 therein and on October 4, 1956 in Liber 6917 at pages 611 and 613 therein, 173.89 feet to said northerly line of Astoria Boulevard; thence (6) Westwardly, along said northerly line of Astoria Boulevard, 127.72 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 9

BEGINNING at a point which is the intersection of the easterly line of 83rd Street (60.00 feet wide) with the southerly line of Grand Central Parkway as in use being also the northwesterly corner of lands acquired by The Port of New York Authority in a Condemnation Proceeding in which title vested on June 6, 1956 and running thence (1) Eastwardly, along said southerly line of Grand Central Parkway and along the northerly line of lands acquired as aforesaid and along the northerly line of lands conveyed by Barkin Levin & Co., Inc. to The Port of New York Authority by Deed dated July 20, 1956 and Recorded in the Register's Office of Queens County on July 20, 1956 in Liber 6895 of Deeds at page 549 therein, along the arc of a circle of 6603.00 feet radius the center of said arc lying to the south an arc distance of 262.64 feet to a point of compound curvature; thence (2) Eastwardly, continuing along said northerly line of lands conveyed as aforesaid and along said northerly line of Grand Central Parkway along the arc of a circle of 270.00 feet radius, the center of said arc lying to the south an arc distance of 188.49 feet to another point of compound curvature; thence (3) Eastwardly and Southwardly along said northerly line of Grand Central Parkway and said northerly line of lands conveyed as aforesaid, along the arc of a circle of 44.176 feet radius, the center of said arc lying to the south, an arc distance of 30.89 feet to a point in the westerly line of 85th Street (60.00 feet wide); thence (4) Southwardly, along said westerly line of 85th Street and along the easterly line of lands conveyed as

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aforesaid, 258.23 feet to the southerly line of lands conveyed as aforesaid; thence (5) Westwardly, along said southerly line of lands conveyed as aforesaid, 360.00 feet to the easterly line of lands conveyed as aforesaid; thence (6) Southwardly, along said easterly line of lands so conveyed, 41.38 feet to the southerly line of lands so conveyed; thence (7) Westwardly, along said southerly line of lands so conveyed, 100.00 feet to said easterly line of 83rd Street; thence (8) Northwardly, along said easterly line of 83rd Street, 269.32 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.

Subject, however, to the following:

(a) the Agreement with respect to Municipal Air Terminals between the Port Authority and the City, dated April 17, 1947, and all rights of the Port Authority as lessee or otherwise under said Agreement;

(b) outstanding title in any of the People herein in the State of New York or in the City and liens and encumbrances in favor of the People of the State of New York or the City which reduce the estate or interest of any of the former owners;

(c) encroachments, if any, upon the premises herein described of any structures or appurtenances standing or maintained partly upon the premises herein described and partly upon the adjoing premises; and

(d) any state of facts which an accurate survey may show.

TO HAVE AND TO HOLD the premises granted to the City, its successors and assigns forever, subject, however, to the items specified aforesaid.

IN WITNESS WHEREOF, the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this indenture to be signed in triplicate by its Executive Director the day and year first above written.

THE PORT OF NEW YORK AUTHORITY

By _____
Austin J. Tobin, Executive Director

ATTEST:

_____
Secretary

Approved as to form:

_____
Sidney Goldstein
General Counsel

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THE CITY OF NEW YORK

AND

THE PORT OF NEW YORK AUTHORITY

FIFTH SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

Dated October 3, 1960

AGREEMENT (hereinafter referred to as "Fifth Supplemental Agreement") made as of this 3rd day of October , 1960, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York, with its principal office at the City Hall, in the Borough of Manhattan, City of New York (hereinafter referred to as the "City") and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter referred to as the "Port Authority"),

WITNESSETH, That:

WHEREAS, under date of April 17, 1947, the City and the Port Authority entered into an Agreement with respect to Municipal Air Terminals (hereinafter referred to as the "Original Agreement"), the execution of which by the City was authorized by resolution duly adopted by its Board of Estimate on April 17, 1947 (Cal. No. 5), and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on April 17, 1947, and

WHEREAS, under date of May 26, 1949, the City and the Port Authority entered into an agreement (hereinafter referred to as the "First Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said First Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on May 26, 1949 (Cal. No. 137) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on May 12, 1949, and

WHEREAS, under date of November 7, 1952, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Second Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Second Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on October 23, 1952 (Cal. No. 27) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on August 14, 1952, and

WHEREAS, under date of May 28, 1956, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Third Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Third Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on April 26, 1956 (Cal. No. 111) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on May 10, 1956, and

WHEREAS, under date of November 6, 1959 the City and the Port Authority entered into an Agreement (hereinafter referred to as "Fourth Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Fourth Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on October 9, 1958 (Cal. No. 60) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on October 8, 1958, and

WHEREAS, it is necessary and desirable that certain of the terms, conditions and provisions of said Original Agreement should be further modified, amended and supplemented;

NOW, THEREFORE, for and in consideration of the agreements and covenants herein contained, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns that said Original Agreement shall be and it is hereby supplemented and amended as follows:

I. DEFINITIONS

Except as hereinafter expressly provided, any words or phrases used in this Fifth Supplemental Agreement and specifically defined in the Original Agreement shall be read and construed in accordance with the definition in the Original Agreement.

II. SUBSTITUTED SCHEDULE A

The schedule marked "Substituted Schedule A" annexed to the Second Supplemental Agreement and amended and supplemented by the Third Supplemental Agreement and the Fourth Supplemental Agreement is hereby further amended and supplemented by adding as Item 14 thereof, the "Supplement to Substituted Schedule A" annexed hereto. Whenever in the Original Agreement reference is made to Schedule A, such reference shall be construed to refer to said Substituted Schedule A as substituted by the Second Supplemental Agreement, amended and supplemented by the Third Supplemental Agreement and by the Fourth Supplemental Agreement and as amended and supplemented hereby.

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III. SURRENDER OF PORTION OF DEMISED PREMISES - LA GUARDIA AIRPORT--ADDITIONAL LANDS

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described in Item 14 of the "Supplement to Substituted Schedule A" attached hereto, and all the estate, right, title, interest, term of years, property, claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, upon the conditions following, to wit: during the term for which the demised premises are leased.

1. The Port Authority and its employees, contractors, permittees, agents or other person duly designated by it shall have the right, without cost or expense to the City, to install, maintain, operate, relocate or replace in, under and upon the premises herein surrendered, including any city streets which may be within the boundaries thereof, such approach lighting systems and other aids to avigation and facilities incidental thereto as shall be necessary or desirable in the opinion of the Port Authority for the safe and efficient operation of LaGuardia Airport, at locations therein which the Port Authority shall deem appropriate therefor, and the Port Authority and its employees, contractors, permittees, agents or other person duly designated by it shall have the right at all times to enter upon the said premises to inspect the condition thereof and to enter thereon with men, equipment, trucks and vehicles in order to effect the installation, repair, replacement, expansion and relocation of such

approach lighting systems, other aids to avigation, and facilities incidental thereto;

2. the City shall use the premises herein surrendered for park purposes and for no other purpose whatsoever; the City shall not develop or use the premises herein surrendered nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and efficient operation and development of La Guardia Airport or the safe and unrestricted passage of aircraft over the premises herein surrendered; the City shall abate any smoke or vapor, at the request of the Port Authority; the City shall not erect, install or maintain any structure, building, tower, pole, wire or other object the construction, maintenance or operation of which would constitute a hazard to avigation in the opinion of the Port Authority;

3. 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 or maintained by or on behalf of the Port Authority; and

4. the City shall not place fill in or upon the premises surrendered by Section III of this Fifth Supplemental Agreement or place any structures or buildings thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, provided, that such approval shall not be withheld unreasonably.

IV. SURRENDER OF SURPLUS PARCEL - ITEM 2 - SUBSTITUTED SCHEDULE A

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender

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of the portion of the demised premises consisting of four (4) parcels of land on Rikers Island, Borough of the Bronx, described as Item 2 in the Substituted Schedule A attached to the Second Supplemental Agreement, and all the estate, right, title, interest, term of years, property, claims and demands whatsoever of the Port Authority of, in to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, subject, however, during the term for which the demised premises were leased, to the provisions of section 24 of the Original Agreement.

V. LEASE OF ADDITIONAL DEMISED PREMISES - LA GUARDIA AIRPORT

The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City, for air terminal purposes and for purposes incidental thereto, the additional lands shown in cross hatching on the map of La Guardia Airport annexed hereto marked "Supplemental Map I-A" to have and to hold unto the Port Authority from the date of this Fifth Supplemental Agreement until the expiration or sooner termination of the Original Agreement, subject to all of the terms, covenants and conditions set forth in the said Original Agreement.

As soon as possible after completion of the programm of rehabilitating and improving La Guardia Airport, the Port Authority shall, itself or through others acting on its behalf, landscape the area along Grand Central Parkway between the Parkway pavement and the southerly boundary of La Guardia Airport shown on the annexed "Supplemental Map I-A" with screen planting satisfactory to the

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Department of Parks and, as between the City and the Port Authority, the Port Authority shall assume the cost of such initial landscaping. Thereafter, such landscaping shall be maintained by the City.

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 Mayor; 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, the day and year first above written.

ATTEST:

Herman Katz
City Clerk

THE CITY OF NEW YORK

Robert F. Wagner
Mayor

ATTEST:

Joseph G. Carty
Secretary

THE PORT OF NEW YORK AUTHORITY

Austin J. Tobin
Executive Director

Approved as to Form

Leo A. Larkin
Acting Corporation Counsel

Approved as to Form

R. C. Skehan
Assistant General Counsel

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

On this 14th day of July, 1960, before me personally came and appeared AUSTIN J. TOBIN, to me known, who being by me duly sworn, did depose and say that he resides at New York 25, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to the said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY and that he signed his name thereto by like order.

Albert J. Buckley

ALBERT J. BUCKLEY
NOTARY PUBLIC, State of New York
No. 60-0479065
Qualified in Westchester County
Commission expires March 30, 1961.

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

On the 11th day of October, 1960, before me personally came HERMAN KATZ, with whom I am personally acquainted, and known to me to be the City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn did depose and say that he resides at [redacted] Street, Borough of Manhattan, City of New York; that he is the City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knew the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Estimate, and that he signed his name thereto as City Clerk by like authority; and further that he knows and is acquainted with ROBERT F. WAGNER and knows him to be the person described in and who as Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe and execute the same, and that he acknowledged to him, the said HERMAN KATZ, that he executed the same, and he, the said HERMAN KATZ thereupon subscribed his name hereto.

Joseph A. Fanelli

JOSEPH A. FANELLI
Commissioner of Deeds City of New York
New York County Clerk's No. 19
Commission Expires March 19, 1961

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Supplement to Substituted Schedule A

ITEM 14

PARCEL 1

ALL those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate, lying and being 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 Valentin 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 25th 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, 45.04 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 2

All that certain plot, piece or parcel of land situate, lying and being in the Borough and County of Queens, City and State of New York, known as and by the Lot No. 1, Block No. 1077 of Section 7, as shown on Tax Map of the County of Queens, said Block No. 1077 being designated as Block No. 1409 of Section 6 of the land Map of the County of Queens, and bounded and described as follows:

On the North by Grand Central Parkway, on the West by Eighty-Second Street; and on the East by Eighty-Third Street.

All right, title and interest of the Port Authority or which the Port Authority has power to convey or dispose of, in and to all strips and gores abutting and of the title lines of said premises.

Subject, however, to the following:

(a) the Agreement with respect to Municipal Air Terminals between the Port Authority and the City, dated April 17, 1947, and all rights of the Port Authority as lessee or otherwise under said Agreement;

(b) outstanding title, if any, of the People of the State of New York or of the City and liens and encumbrances in favor of the People of the State of New York or the City which reduce the estate or interest of any of the former owners;

(c) encroachments, if any, upon the premises herein described of any structures or appurtenances standing or maintained partly upon the premises herein described and partly upon the adjoining premises; and

(d) any state of facts which an accurate survey may show.

TO HAVE AND TO HOLD the premises granted to the City, its successors and assigns forever, subject, however, to the items specified aforesaid.

IN WITNESS WHEREOF, the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this indenture to be signed in triplicate by its Executive Director the day and year first above written.

ATTEST:

Joseph G. Carty
Secretary

THE PORT OF NEW YORK AUTHORITY

By Austin J. Tobin
Austin J. Tobin
Executive Director

Approved as to form:

Rosaleen C. Skehan
Sidney Goldstein
General Counsel

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

On the 14 day of ~~March~~ July 1960, before me personally came AUSTIN J. TOBIN to me known, who, being by me duly sworn, did depose and say that he resides at [redacted] New York, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY; and that he signed his name thereto by like order.

Albert J. Buckley
Notary Public
Albert J. Buckley
Notary Public, State of New York
No.60-0479065
Qualified in Westchester County
Commission expires March 30, 1961

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THIS INDENTURE, made the 14 day of July 1960, between THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of Congress, having its office at 111 Eighth Avenue, Borough of Manhattan, City, County and State of New York, (hereinafter referred to as the "Port Authority") and THE CITY OF NEW YORK, a municipal corporation of the State of New York, having its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (hereinafter referred to as the "City"),

WHEREAS, the Agreement between the Port Authority and the City with respect to Municipal Air Terminals dated April 17, 1947, which Agreement was recorded on the 22nd day of May, 1947, in the office of the Register of the City of New York (Queens County) in Liber 5402 of Conveyances, page 319, provides among other things that the Port Authority shall convey to the City any lands or interests therein which it acquires for use in extension of the Municipal Air Terminals or for use in maintaining airplane beacons, guides or other aids to avigation, and that thereupon such property shall become part of the premises demised to the Port Authority under said Agreement; and

WHEREAS, the Port Authority has acquired for municipal air terminal purposes the lands hereinafter described, subject to the encumbrances and exceptions specified herein,

NOW, THEREFORE, WITNESSETH, that 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:

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ALL those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate, lying and being 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 Valentin 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 25th 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 said westerly side of 82nd Street, 4504 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.

TOGETHER WITH:

All right, title and interest of the Port Authority or which the Port Authority has power to convey or dispose of, in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the premises.

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—BOOK 163—

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Sixth Supp.
C.P.
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THE CITY OF NEW YORK

B18.00

AND

OFFICE OF CITY REGISTER
Queens County
RECORDED
Witness my hand
and official seal
CITY REGISTER

THE PORT OF NEW YORK AUTHORITY

NOT SUBJECT TO MTGE TAX

The land affected ... premises
lies in ... 14260 Lots 1, 101 & 16
on the ... Map of the County of Queens.

SIXTH SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

JUN 29 65 8 7 9 7 7

DATED August 24, 1965

10.00

R&R
A. J. BUCKLEY, ESQ
ROOM 1515
111 EIGHTH AVE.
NEW YORK, N.Y. 10011

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SIXTH SUPPLEMENTAL AGREEMENT made as of the 24th day of August, 1965, between THE CITY OF NEW YORK, a New York municipal corporation, hereinafter called "The City", and "THE PORT OF NEW YORK AUTHORITY", a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, hereinafter called the "Port Authority".

W I T N E S S E T H, That:

WHEREAS, the parties hereto under date of April 17, 1947, have duly entered into an Agreement relating to Municipal Air Terminals, and

WHEREAS, the said parties have duly amended, supplemented and modified the said agreement by several Agreements duly entered into as of May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1959 and October 3, 1960, respectively, and

WHEREAS, the said parties desire to further amend, supplement and modify the Agreement of April 17, 1947, as amended, supplemented and modified,

NOW, THEREFORE, it is mutually agreed as follows:

1. SURRENDER OF PORTIONS OF DEMISED PREMISES - JOHN F. KENNEDY INTERNATIONAL AIRPORT

The Port Authority hereby gives, grants and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises shown cross-hatched and dotted on the map of John F.Kennedy International Airport annexed hereto and marked "Supplemental Map II-C", dated December 2, 1964, and further described in the annexed Schedule "A", and all the estate, right, title, interest, terms of years, property, claim and demand

whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the demised premises shown cross-hatched and dotted on said Supplemental Map II-C may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, provided that the Port Authority shall have the right to the maintenance thereunder of existing utility facilities and aids to avigation of the Federal Aviation Agency and shall have the right to maintain and operate existing installations on Parcels 5, 6 and 7, and, subject to approval of the City, may relocate and replace such installations.

2. Pursuant to the provisions of Section V of the Third Supplemental Agreement of May 28, 1956, the Port Authority hereby consents to the use for street or highway purposes of those portions of the premises thereby surrendered which are shown hatched on Supplemental Map II-C, subject to such other conditions of that surrender which are not in conflict with the construction and the regulations approved by the State Superintendent of Public Works and the Federal Bureau of Public Roads.

It is understood that the line of the premises being surrendered by the Port of New York Authority or as to which it is granting consent to construction, all as shown on Supplemental Map II-C, shall be subject to modification as to detail as City authorized work progresses and as it is completed and in place, with confirmatory instruments to be provided as necessary.

3. CLOSING OF PORTION OF ROCKAWAY BOULEVARD - LOCATION OF NASSAU EXPRESSWAY.

The City agrees that it will close and discontinue as a street that portion of Rockaway Boulevard between New York Boulevard and a point 1,300 feet more or less, west of the northwest corner of Brookville Boulevard and Rockaway Boulevard. The City further agrees that a part of the proposed Nassau Expressway will be built north of that section of the existing Rockaway Boulevard which lies between Springfield Boulevard and a point 1,300 feet west of the northwest corner of Brookville Boulevard and Rockaway Boulevard, generally along the alignment shown on Supplemental Map II-C.

Port of New York Authority hereby waives any claim it may be entitled to by reason of the elimination, discontinuance and closing of said Rockaway Boulevard, and hereby agrees that there shall be no access from its property over and across said Rockaway Boulevard, except as it or the Federal Aviation Agency may require for the purpose of installing, operating, maintaining, relocating, replacing and inspecting approach lighting systems, other aids to avigation and facilities incidental thereto located within the area bounded by Rockaway Boulevard and the proposed New Nassau Expressway.

4. Except as in this agreement specifically stated, the terms, provisions and conditions of the agreements made by the parties hereto dated April 17, 1947, May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1959 and October 3, 1960, respectively,

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shall remain in full force and effect.

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 Mayor; 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, the day and year first above written.

ATTEST:
(Seal)
City Clerk

THE CITY OF NEW YORK
Mayor

ATTEST:
Secretary (Seal)

THE PORT OF NEW YORK AUTHORITY
Executive Director

Approved as to form
Corporation Counsel

Approved as to form
General Counsel

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

On the 12th day of August, 1965, before me came Austin J. Tobin, to me known, who, being by me duly sworn, did depose and say that he resides at New York City, that he is the Executive Director of the Port of New York Authority, the corporation described in, and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Commissioners of said corporation; and that he signed his name thereto by like order.

(Seal)

MILDRED C. PORTH
Notary Public, State of New York
No. 30-3137750
Qualified in Nassau County
Commission Expires March 30, 1967

Mildred C. Porth

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

On this 1st day of Aug, 1965, before me personally came Hermen Katz, with whom I am personally acquainted, and known to me to be the City Clerk of The City of New York, who being by me duly sworn, did depose and say that he resides at [illegible], in the Borough of Manhattan, City of New York; that he is the City Clerk of The City of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed as provided by law, and that he signed his name thereto as City Clerk by like authority, and further, that he knows and is acquainted with Robt F Wagner, and knows him to be the person described in and who, as Mayor of The City of New York, executed the said instrument; that he saw him subscribe, execute and deliver the same, and that he acknowledged to him, the said City Clerk, and that he executed and delivered the same, and he, the said City Clerk thereupon subscribed his name thereto.

Joseph A Fanelli

JOSEPH A. FANELLI
Commissioner of Deeds
City of New York No. 3-200
Certificate filed in New York County
Commission Expires March 1, 1967

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SCHEDULE A

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° 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° 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° 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 3° 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 26° 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° 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° 00' 13.2", a distance of 559.11 feet to a point; thence southwesterly 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° 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 generally northerly direction on a curve to the left, having a radius of 673.35 feet; a central angle 48° 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 on a curve to the right having - radius of 1918.64 feet, a central angle 4° 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° 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° 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° 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

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on a curve to the left, having a radius of 1050.00 feet; a central angle 13° 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. It being intended to describe Damage Parcel No. 112 as shown on Section 2 of the Damage Map in the Proceeding to acquire title to lands required for "Nassau Expressway".

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° 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° 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° 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 4970.00 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' 46.3" 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; thence northerly along the westerly side of 130th Street 56.32 feet to its intersection with the southerly side of 152nd Avenue; thence westerly along southerly side of 152nd Avenue 1560.00 feet to the westerly side of 124th Street; thence northerly at right angles to the last mentioned course 316.34 feet to the point or place of beginning. It being intended to describe Damage Parcel No.68, 69,70 and 71 as shown on Section 1 of the Damage Map in the Proceeding to acquire title to the lands required for "Nassau Expressway".

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. It being the intention to describe Damage Parcel No.111 as shown on Section I of the Damage Map in the Proceeding to acquire title to the lands required for "Nassau Expressway".

PARCEL 4

Portion of land from 150th Street to vicinity of 183rd Road, exclusive of Parcel 7, shown cross-hatched on Supplemental Map II-C.

PARCEL 5

Portion of land from extension of New York Boulevard to the extension of 228th Street, south of and adjoining Rockaway Boulevard, proposed for park use and shown dotted on Supplemental Map II-C.

PARCEL 6

Portion of land south of and adjoining Rockaway Boulevard from Brookville Boulevard westerly to a point 3,200 feet, more or less, from Brookville Boulevard proposed for park use, as shown dotted on Supplemental Map II-C.

PARCEL 7

Triangular portion of land south of the southerly side of Rockaway Boulevard from 159th Street to 147th Avenue, north of the right-of-way line of Nassau Expressway, proposed for additional lands, as shown cross-hatched on Supplemental Map II-C.

THE CITY OF NEW YORK

AND

THE PORT OF NEW YORK AUTHORITY

SEVENTH SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

Dated December 21, 1965

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SEVENTH SUPPLEMENTAL AGREEMENT made as of the 21 day of December, 1965 between THE CITY OF NEW YORK, a New York municipal corporation, hereinafter called "the City," and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, hereinafter called the "Port Authority."

WITNESSETH:

WHEREAS, under date of April 17, 1947 the City and the Port Authority entered into an Agreement With Respect to Municipal Air Terminals, (hereinafter referred to as the "Original Agreement"), providing for the improvement, development, operation and maintenance of John F. Kennedy International Airport and LaGuardia Airport by the Port Authority for a term commencing June 1, 1947 and expiring not later than May 31, 1997; and

WHEREAS, under dates of May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1958, October 3, 1960 and August 24, 1965, the City and the Port Authority have duly amended, supplemented and modified said Original Agreement; and

WHEREAS, the City and the Port Authority are agreed that increase in the annual rental payable to the City, commencing with the calendar year 1965, will be in the public interest, and that the financing by the Port Authority of the costs of continued improvement, development, operation and maintenance of said airports will be facilitated by extension of the term of said Original Agreement;

NOW, THEREFORE, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns, that said Original Agreement shall be and it hereby is amended, supplemented and modified as follows:

1. DEFINITIONS

a. Section 1 of the Original Agreement is hereby amended by striking out the definitions of "Gross operating revenue," "Net operating revenue," and "Annual net revenue" and by substituting the following:

"Current year." The calendar year for which the rent is being computed.

"Annual net revenue." The difference between:

(a) the gross revenue of the current year; and

(b) the sum of the following: (1) operation and maintenance expense of the current year; (2) general and administrative expense of the current year; (3) imputed debt service of the current year.

"Gross revenue." All income and revenue of any nature whatsoever, derived by the Port Authority, in any manner whatsoever, or from any source whatsoever, from or in connection with the operation of the municipal air terminals, (including, without limiting the generality of the foregoing, net earnings derived from the investment of municipal air terminal operating funds) except the proceeds of bonds and notes and interest earned on capital funds.

"Operation and maintenance expense." The expense of the Port Authority which is directly attributable to the operation and maintenance of the municipal air terminals during the current year (other than the rent payable to the City by the Port Authority for the demised premises and general and administrative expense). No deduction, allowance or provision for depreciation, except for automotive equipment and equipment ancillary thereto, is to be included in the operation and maintenance expense.

"General and administrative expense." A sum equal to fifteen (15%) percent of the operation and maintenance expense.

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The coordinates 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.

ITEM 5

All that certain piece or parcel of land and premises, situate, lying and being in the Borough and County of Queens, in the City and State of New York, between 55th Avenue and 55th Drive produced eastwardly and between 48th Street and 50th Street.

Beginning at a point which is the corner formed by the intersection of the southerly line of 55th Avenue (widened to 70 feet width) with the easterly line of 48th Street (60 feet width) and running thence (1) North 76°-49'-45" East, along said southerly line of 55th Avenue aforesaid, 379.66 feet to the corner formed by the intersection of said southerly line of 55th Avenue aforesaid with the westerly line of 50th Street (70 feet width); thence (2) Southeastwardly, along said westerly line of 50th Street aforesaid and along a line which makes an interior angle of 99°-23'-15.8" with the preceding course, 415.98 feet to the prolongation westwardly of the northerly line of 55th Drive (60 feet width); thence (3) Southwestwardly, along said northerly line of 55th Drive aforesaid and along a line which makes an interior angle of 80°-43'-20.7" with the preceding course, 447.51 feet to said easterly line of 48th Street; thence (4) Northwestwardly, along said easterly line of 48th Street aforesaid and along a line which makes an interior angle of 89°-53'-23.5" with the preceding course, at right angles to said southerly line of 55th Avenue aforesaid, 411.27 feet to the point and place of beginning, containing 169,931 square feet or 3.90 acres.

The bearing hereinabove mentioned in the description of this item refers to grid north 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.

The streets and avenues referred to hereinabove in this description are laid down on Alteration Map 3405 in a Communication to the Board of Estimate and Apportionment on February 2, 1950 and referred to the Planning Commission of the City of New York on February 9, 1950.

ITEM 6

All that certain piece or parcel of land and premises situate, lying and being in the Borough and County of Queens, in the City and State of New York, on Rulers Bar Hassock in Jamaica Bay, more particularly bounded and described as follows:

Beginning at a point in the southwesterly line of Cross Bay Boulevard (114.00 feet width), the coordinates of said point being South 70230.16, East 65948.36 and run-

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ning thence (1) Southeastwardly, along said southwesterly line of Cross Bay Boulevard and along the arc of a circle of 4557.00 feet radius, the center of said arc lying to the northeast, said arc being subtended by a central angle of 4°-09'-22.8", the tangent to said arc making an interior angle of 87°-52'-36.6" with course numbered four (4) hereinafter described in this description at its intersection with said course numbered four (4), an arc distance of 330.57 feet to a point on an arc in said southwesterly line of Cross Bay Boulevard, the coordinates of said point being South 70435.28, East 66207.50; thence (2) Southwestwardly, along a line which makes an interior angle of 87°-43'-24.6" with the tangent to the preceding arc at its intersection therewith, 300.00 feet to a point the coordinates of which are South 70669.86, East 66020.49; thence (3) Northwestwardly, along a line which makes an interior angle of 90°-11'-55.2" with the preceding course, 329.23 feet to a point the coordinates of which are South 70465.53, East 65762.35; thence (4) Northeastwardly, along a line which makes an interior angle of 90°-02'-40.8" with the preceding course, 300.00 feet to the point and place of beginning. The area whereof is 98,299 square feet or 2.257 Acres.

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.

Together with the overhead, surface and sub-surface easements necessary for the operation, maintenance, repair and reconstruction of the power and telephone lines and ducts required for the proper operation of the facilities lying within the above described parcel and all accessories thereto.

Said Cross Bay Boulevard being laid down on Alteration Map 2746, adopted by the Board of Estimate and Apportionment of the City of New York on April 11, 1940.

ITEM 7

Parcels for Piers:

A permit for the construction, reconstruction, maintenance, repair and operation of a pier for approach lighting to Runway "C" at New York International Airport in Jamaica Bay, in the Borough and County of Queens, in the City and State of New York in that area more particularly bounded and described as follows:

Pier for Approach Lighting to Runway "C" at New York International Airport

Beginning at a point in the proposed U. S. Pierhead and Bulkhead Line, distant 74.83 feet northwestwardly from the center line of Runway "C" at New York International Airport as aforesaid, measured at right angles thereto, the coordinates of said point being South 61273.932, East 71521.607, and running thence (1) South

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31°-39'-00" West parallel with said center line of said Runway "C" distant 74.83 feet northwestwardly therefrom as aforesaid, parallel with the center line of the Pier for Approach Lighting to said Runway "C", distant 50.00 feet southeastwardly therefrom measured at right angles thereto, 1908.81 feet to a point the coordinates of which are South 62898.844, East 70519.999; thence (2) North 58°-21'-00" West, at right angles to the preceding course, 100.00 feet to a point the coordinates of which are South 62846.371, East 70434.872, said point being distant 50.00 feet northwestwardly from said center line of said Pier aforesaid, measured at right angles thereto; thence (3) North 31°-39'-00" East, parallel with said center line of said Pier and distant 50.00 feet northwestwardly therefrom as aforesaid, at right angles to the preceding course, 1852.51 feet to a point in said U. S. Pierhead and Bulkhead Line, the coordinates of said point being South 61269.388, East 71406.936; thence (4) South 87°-43'-49.2" East, along said U. S. Pierhead and Bulkhead Line aforesaid, 114.76 feet to the point and place of beginning. The area whereof is 183,066 square feet or 4.203 Acres.

A permit for the construction, reconstruction, maintenance, repair and operation of piers for approach lighting to Runway "V" and Middle Marker at New York International Airport in Jamaica Bay, in the Borough and County of Queens, in the City and State of New York in all those areas more particularly bounded and described as follows:

Piers for Approach Lighting to Runway "V" at New York International Airport

Beginning at a point in the proposed U. S. Pierhead and Bulkhead Line, the coordinates of said point being South 61413.92, East 75053.66 and running thence (1) South 87°-43'-49.2" East along said Pierhead and Bulkhead Line, 320.00 feet to a point therein the coordinates of which are South 61426.59, East 75373.41; thence (2) South 0°-51'-00" East, 1679.51 feet to a point the coordinates of which are South 63105.92, East 75398.33; thence (3) North 89°-15'-26.6" West, 440.53 feet to a point the coordinates of which are South 63100.21, East 74957.83; thence (4) North 4°-09'-00" East, 1082.78 feet to a point the coordinates of which are South 62020.28, East 75036.19; thence (5) North 1°-39'-00" East, 606.60 feet to the point and place of beginning. The area whereof is 625,675 square feet or 14.36 Acres.

Middle Marker Parcel

Beginning at a point in Jamaica Bay the coordinates of which are South 63885.25, East 75113.16 and running thence (1) South 88°-21'-00" East, 100.00 feet to a point the coordinates of which are South 63888.13, East 75213.12; thence (2) South 1°-39'-00" West, 100.00 feet to a point the coordinates of which are South 63988.09, East 75210.24; thence (3) North 88°-21'-00" West, 100.00 feet to a point the coordinates of

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which are South 63985.21, East 75110.28; thence (4) North 1°-39'-00" East, 100.00 feet to the point and place of beginning. The area whereof is 10,000 square feet or 0.23 Acres.

Together with the necessary rights for a sub-marine cable extending from the Parcel entitled "Pier for Approach Lighting to Runway 'V' at New York International Airport" to the Parcel entitled "Middle Marker Parcel".

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.

ITEM 8

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

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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.

ITEM 9

All those perpetual overhead, surface and sub-surface easements necessary for the proper operation, maintenance and repair of Lights to Guide Aircraft approaching LaGuardia Field, situate, lying and being in the Borough and County of Queens, in the City and State of New York, within the following described parcels:

Parcel 1 (Poles I, 12, J, K, 13, L, M, 14, N, O, 15, P, Q, R, S and T with sub-surface cables in bed of 25th Avenue)

Beginning at a point in the easterly line of 77th Street, distant 168.55 feet northwardly thereon from the corner formed by the intersection of said easterly line of 77th Street with the northerly line of 30th Avenue and running thence (1) Northwardly, along said easterly line of 77th Street, and along a line which makes an interior angle of 40°-00'-00" with course numbered eight (8) hereinafter described in this description, 7.78 feet; thence (2) Northeastwardly, along a line which makes an interior angle of 140°-00'-00" with the preceding course, 1005.70 feet to the southwesterly line of lot numbered 22 in block numbered 1043; thence (3) Southeastwardly, along said southwesterly line of said lot numbered 22 aforesaid, and along a line which makes an interior angle of 62°-50'-26.5" with the preceding course, 5.62 feet to a point distant 184.41 feet northwestwardly measured along said lot line from its intersection with the westerly line of 80th Street, said intersection being distant 101.52 feet northwardly along said westerly line of 80th Street from the corner formed by the intersection of said westerly line of 80th Street with northerly line of 25th Avenue; thence (4) Southwestwardly, parallel with course numbered two (2) hereinabove described in this description and along a line which makes an interior angle of 117°-09'-33.5" with the preceding course, 419.80 feet to a point distant 20.00 feet northwardly from the southerly line of 25th Avenue, measured at right angles thereto; thence (5) Eastwardly, parallel with said southerly line of 25th Avenue, and along a line which makes an interior angle of 310°-09'-00" with the preceding course, 341.20 feet to a point in the prolongation of said westerly line of 80th Street; thence (6) Southwardly, along said prolongation of said westerly line of 80th Street

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at right angles to the preceding course, 5.00 feet; thence (7) Westwardly, parallel to said southerly line of 25th Avenue, distant 15.00 feet northwardly therefrom, measured at right angles thereto, at right angles to the preceding course, 345.40 feet; thence (8) Southwestwardly, parallel with course numbered two (2) hereinabove described in this description and along a line which makes an interior angle of 230°-00'-00" with the preceding course, 582.80 feet to the point and place of beginning, containing 6,750 square feet more or less or 0.1550 acres.

Together with the right of access to all poles, power lines, lights, ducts and any accessory equipment thereto lying within the above described parcel.

The streets and avenues referred to hereinabove in this description are laid down on the maps showing street system for the territory designated as Sections 8 and 9 of the Final Maps of the Borough of Queens, which maps were adopted by the Board of Estimate and Apportionment of the City of New York on December 12, 1912 and February 8, 1912, respectively.

Parcel 2 (Pole H)

Beginning at a point in the westerly line of 80th Street, distant 275.5 feet southwardly thereon from the corner formed by the intersection of said westerly line of 80th Street with the southerly line of 24th Avenue and running thence (1) Southwardly, along said westerly line of 80th Street, 5.0 feet; thence (2) Westwardly, parallel with said southerly line of 24th Avenue, 37.5 feet; thence (3) Northwardly, parallel with said westerly line of 80th Street, 5.0 feet; thence (4) Eastwardly, parallel with said southerly line of 24th Avenue, 37.5 feet to the point and place of beginning, containing 188 square feet more or less or 0.0043 Acres.

Parcel 3 (Pole 10)

Beginning at a point in the easterly line of 80th Street, distant 94.5 feet southwardly thereon from the corner formed by the intersection of said easterly line of 80th Street with the southerly line of 24th Avenue and running thence (1) Eastwardly, parallel with said southerly line of 24th Avenue, 50.0 feet; thence (2) Southwardly, parallel with said easterly line of 80th Street, 5.0 feet; thence (3) Westwardly, parallel with said southerly line of 24th Avenue, 50.0 feet to said easterly line of 80th Street; thence (4) Northwardly, along said easterly line of 80th Street, 5.0 feet to the point and place of beginning, containing 250 square feet more or less or 0.0057 Acres.

Parcel 4 (Pole E)

Beginning at a point in the southerly line of 24th Avenue, distant 94.0 feet eastwardly thereon from the corner formed by the intersection of said southerly line of 24th Avenue with the easterly line of 80th Street and running thence (1) Eastwardly,

along said southerly line of 24th Avenue, 5.0 feet; thence (2) Southwardly, parallel with said easterly line of 80th Street, 58.0 feet; thence (3) Westwardly, parallel with said southerly line of 24th Avenue, 5.0 feet; thence (4) Northwardly, parallel with said easterly line of 80th Avenue, 58.0 feet to the point and place of beginning, containing 290 square feet more or less or 0.0067 Acres.

Together with the right of access to all poles, power lines, lights, ducts and any accessory equipment thereto lying within the above described parcels.

The street and avenue referred to in the descriptions of Parcels 2, 3 and 4 hereinabove are laid down on the "Map showing Street system for the territory designated as Section 8 of the Final Maps of the Borough of Queens," which map was adopted by the Board of Estimate and Apportionment of the City of New York on December 12, 1912.

Parcel 5 (Pole C)

Beginning at a point in the westerly line of 82d Street, distant 105.5 feet northwardly thereon from the corner formed by the intersection of said westerly line of 82d Street with the northerly line of Astoria Boulevard (130 feet width) and running thence (1) Westwardly, at right angles to said westerly line of 82d Street, 95.0 feet; thence (2) northwardly, at right angles to the preceding course 5.0 feet; thence (3) Eastwardly, at right angles to said westerly line of 82d Street, 95.0 feet to said westerly line of 82d Street; thence (4) Southwardly, along said westerly line of 82d Street, 5.0 feet to the point and place of beginning, containing 475 square feet more or less or 0.0109 Acres.

Parcel 6 (Pole G)

Beginning at a point in the easterly line of 82d Street, distant 80.0 feet Southwardly thereon from the corner formed by the intersection of said easterly line of 82d Street with the southerly line of Grand Central Parkway and running thence (1) Eastwardly, at right angles to said easterly line of 82d Street, 65.0 feet; thence (2) Southwardly, at right angles to the preceding course, 5.0 feet; thence (3) Westwardly, at right angles to said easterly line of 82d Street, 65.0 feet to said easterly line of 82d Street; thence (4) Northwardly, along said easterly line of 82d Street, 5.0 feet to the point and place of beginning, containing 325 square feet more or less, or 0.0075 Acres.

Parcel 7 (Pole A)

Beginning at a point in the southerly line of Grand Central Parkway, distant 96.28 feet westwardly thereon from the corner formed by the intersection of said southerly line of Grand Central Parkway with the westerly line of 83d Street and

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running thence (1) Southwardly, parallel with said westerly line of 83d Street, 58.48 feet; thence (2) Westwardly, at right angles to the preceding course, 5.0 feet; thence (3) Northwardly, parallel to said westerly line of 83d Street, 57.42 feet to said southerly line of Grand Central Parkway; thence (4) Eastwardly, along said southerly line of Grand Central Parkway, 5.11 feet to the point and place of beginning, containing 290 square feet more or less or 0.0067 Acres.

Together with the right of access to all poles, power lines, lights, ducts and any accessory equipment thereto lying within the above described parcels.

The streets, boulevard and parkway referred to in the descriptions of Parcels 5, 6 and 7 hereinabove are laid down on the "Map showing street system for the territory designated as Section 8 of the Final Maps of the Borough of Queens," which map was adopted by the Board of Estimate and Apportionment of the City of New York on December 12, 1912.

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THE CITY OF NEW YORK

and

THE PORT OF NEW YORK AUTHORITY

THIRD SUPPLEMENTAL AGREEMENT

With Respect to

MUNICIPAL AIR TERMINALS

Dated May 28, 1956

Agreement (hereinafter referred to as "Third Supplemental Agreement") made as of this 28th day of May, 1956, by and between The City of New York, a municipal corporation of the State of New York, with its principal office at the City Hall, in the Borough of Manhattan, City of New York (hereinafter referred to as the "City") and The Port of New York Authority, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter referred to as the "Port Authority"),

Witnesseth, That:

Whereas, under date of April 17, 1947, the City and the Port Authority entered into an Agreement with respect to Municipal Air Terminals (hereinafter referred to as the "Original Agreement"), the execution of which by the City was authorized by resolution duly adopted by its Board of Estimate on April 17, 1947 (Cal. No. 5), and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on April 17, 1947, and

Whereas, under date of May 26, 1949, the City and the Port Authority entered into an agreement (hereinafter referred to as the "First Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said First Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on May 26, 1949 (Cal. No. 137) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on May 12, 1949, and

Whereas, under date of November 7, 1952, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Second Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Second Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on October 23, 1952 (Cal. No. 27) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on August 14, 1952, and

Whereas, it is necessary and desirable that certain of the terms, conditions and provisions of said Original Agreement should be further modified, amended and supplemented,

Now, Therefore, for and in consideration of the agreements and covenants herein contained the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns that said Original Agreement shall be and it is hereby supplemented and amended as follows:

I. Definitions

Except as hereinafter expressly provided any words or phrases used in this Third Supplemental Agreement and specifically defined in the Original Agreement shall be read and construed in accordance with the definition in the Original Agreement.

II. Discharge of Obligation of City to Acquire Parcel 6—New York International Airport

The City is hereby wholly relieved and discharged of its obligation under the Original Agreement, as modified by the Second Supplemental Agreement, to acquire by condemnation the parcel designated as "6" and shown colored in yellow and by hatching on Supplemental Map II-A annexed to the Second Supplemental Agreement. There shall be no reduction in rent or in the Port Authority's obligation under paragraph 19 of the Original Agreement by reason of this discharge and release of the above described obligation of the City.

III. Nassau Expressway—New York International Airport

Section 2 of the Original Agreement as amended and supplemented by the Second Supplemental Agreement is hereby amended by substituting the following in the place and stead of the last paragraph thereof:

> "If within ten (10) years from the date of the Second Supplemental Agreement the construction of Nassau Expressway has been authorized and actually started the Port Authority hereby consents to the reduction of the demised premises to the extent of the strip shown colored in orange and by hatching on Supplemental Map II-A annexed to the said Second Supplemental Agreement, *provided*, that said strip shall be held by the City for and during the term for which the demised premises are leased, for street, park or expressway purposes and for no other purpose or purposes whatsoever, and *provided, further,* that access between the Expressway and the demised premises shall be provided at the two points designated as 'Access No. 1' and 'Access No. 2' on said Supplemental Map No. II-A and that traffic interchange facilities between said Expressway, the intersecting streets and the demised premises shall be provided at the two points designated as 'Traffic Interchange No. 1' and 'Traffic Interchange No. 2'

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on said Supplemental Map II-A. The Port Authority shall have the right at its own cost and expense to install and maintain in and under the Expressway such utility facilities as it shall deem necessary in connection with its use of the demised premises whether the same shall be installed before, during or after the construction of the Expressway, *provided,* that they shall be located therein and thereunder at places agreed upon between the City and the Port Authority and shall be installed pursuant to plans and specifications which shall be subject to approval by the Chief Engineer of the Board of Estimate (which approval shall not be unreasonably withheld), *provided, further,* that the Port Authority shall proceed with the work of installing such utility facilities in such manner as to minimize, as much as it reasonably can, interference with vehicular traffic upon said Expressway and shall, without cost or expense to the City, and with reasonable promptness after the completion of the work of installing such utility facilities, restore to as good a condition as existed immediately prior to the commencement of the work, so much of the improved surface of the Expressway as may be damaged by such work. All work of protecting in place and relocating such utility facilities by reason of the Expressway construction shall be done without cost or expense to the Port Authority."

IV. SUBSTITUTED SCHEDULE A

The schedule marked "Substituted Schedule A" annexed to the Second Supplemental Agreement is hereby amended and supplemented by adding as Item 10 thereof the "Supplement to Substituted Schedule A" annexed hereto. Whenever in the Original Agreement reference is made to Schedule A, such reference shall be construed to refer to said Substituted Schedule A as amended and supplemented hereby.

V. SURRENDER OF PORTION OF DEMISED PREMISES—NEW YORK INTERNATIONAL AIRPORT—ADDITIONAL LANDS

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described in the "Supplement to Substituted Schedule A" attached hereto, and all the estate, right, title, interest, term of years, property, claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, upon the conditions following, to wit: during the term for which the demised premises are leased,

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1. the Port Authority and the Civil Aeronautics Administration shall have the right, without cost or expense to the City, to install, maintain, operate, relocate or replace in, under and upon the premises herein surrendered, including any city streets which may be within the boundaries thereof, such approach lighting systems and other aids to avigation and facilities incidental thereto as shall be necessary or desirable in the opinion of the Port Authority for the safe and efficient operation of New York International Airport, at locations therein which the Port Authority shall deem appropriate therefor, and the Port Authority and the Civil Aeronautics Administration, its and their duly designated employees, contractors and agents shall have the right at all times to enter upon the said premises to inspect the condition thereof and to enter thereon with men, equipment, trucks and vehicles in order to effect the installation, repair, replacement, expansion and relocation of such approach lighting systems, other aids to avigation, and facilities incidental thereto; any facilities so installed by the Port Authority shall at all times be maintained by it without cost to the City;

2. the City shall not develop or use the premises herein surrendered nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and efficient operation and development of New York International Airport or the normal flight operations of aircraft; the City shall, at the request of the Port Authority, abate any smoke or vapor; the City 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 avigation without the prior approval of the Port Authority; the City shall not, except with the express written consent of the Port Authority, furnish any services or operate any facility upon the said premises for the accommodation and convenience of its invitees and employees or those of its contractors, agents, licensees, and permittees which would be or tend to be competitive with the furnishing of services or the operation of facilities at New York International Airport by the Port Authority or its tenants, licensees, permittees or agents for the accommodation and convenience of its and their invitees and employees, *provided, however,* that the City may, without the express written consent of the Port Authority but subject to the other conditions of this surrender, provide, operate, maintain or 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;

and 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 Civil Aeronautics Administration;

3. the Port Authority may permit the occupants of the various buildings within the premises herein surrendered to remain in occupancy thereof and the Port Authority shall have the right to continue to collect and retain for its own account the payments for use and occupancy or the rents therefor until such time as the Port Authority shall terminate said occupancies and demolish or remove said buildings from said premises, *provided,* that, upon ninety (90) days' written notice from the City, the Port Authority shall take all reasonably practicable steps to terminate any occupancy and demolish or remove any building which may be specified in any such notice, *provided, further,* however, that, inasmuch as the building situated within Lot 64 of Block 13435 of Section 56 of the Tax Map of The City of New York for the Borough of Queens, as said Tax Map was on May 25, 1953, is being used in connection with operations at New York International Airport, no such notice shall be given by the City with respect to the termination of said occupancy or the demolition or removal of said building during the six month period beginning on the date of execution of this Third Supplemental Agreement. The Port Authority shall have the right to collect and retain for its own account the proceeds of the sale of such buildings and the fixtures therein contained; and

4. the City shall not place fill in or upon the premises surrendered in accordance with Section V of this Third Supplemental Agreement or place any structures thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, *provided,* that such approval shall not be withheld unreasonably.

VI. Surrender of Surplus Parcel—Item 5—Substituted Schedule A

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described as Item 5 in the Substituted Schedule A attached to the Second Supplemental Agreement, and all the estate, right, title, interest, term of years, property, claims and demands whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever.

VII. Rent

There shall be no reduction in rent or the Port Authority's obligations under the agreement with respect to Municipal Airports as amended and supplemented by reason of the release or surrender of any of the premises herein provided for.

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 Mayor; 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, the day and year first above written.

Attest:

Thomas A. Levane (Sgd.)
Acting City Clerk

(Seal)

The City of New York

Robert F. Wagner (Sgd.)
Mayor

Attest:

Joseph G. Canty (Sgd.)
Secretary

(Seal)

The Port of New York Authority

Austin J. Tobin (Sgd.)
Executive Director

Approved as to Form

Peter Campbell Brown (Sgd.)
Corporation Counsel

Approved as to Form

Sidney Goldstein (Sgd.)
General Counsel

SWA H E O'D

R C S

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

On this 31st day of May, 1956, before me personally came THOMAS A. LEVANE, with whom I am personally acquainted, and known to me to be the Acting City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn, did depose and say that he resides at 25 Indian Road, Borough of Manhattan, City of New York; that he is the Acting City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knew the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Estimate, and that he signed his name thereto as Acting City Clerk by like authority; and further that he knows and is acquainted with ROBERT F. WAGNER, and knows him to be the person described in and who as Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe and execute the same, and that he acknowledged to him, the said THOMAS A. LEVANE, that he executed the same, and he, the said THOMAS A. LEVANE thereupon subscribed his name thereto.

JOSEPH A. FANELLI (Sgd.)
Notary Public
JOSEPH A. FANELLI
Commissioner of Deeds, City of New York
New York County Clerk's No. 19
Commission Expires March 15, 1957.

(SEAL)

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

On this 11th day of May, 1956, before me personally came and appeared AUSTIN J. TOBIN, to me known, who being by me duly sworn, did depose and say that he resides at 320 Central Park West, New York 25, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY; and that he signed his name thereto by like order.

SHICKREY ANTON (Sgd.)
SHICKREY ANTON
Notary Public, State of New York
No. 30-0081525
Qualified in Nassau County
Commission Expires March 30, 1957

(SEAL)

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SUPPLEMENT TO SUBSTITUTED SCHEDULE A

ITEM 10

All those lots, pieces or parcels 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:

PARCEL A

BEGINNING at a point which is the intersection of the northerly line of Rockaway Boulevard as now legally opened with the southerly extension of the center line of Walbridge Street (now sometimes known as Springfield Boulevard) as shown on the "Map of the Higbie Addition, Sheffield Manor, 4th Ward, Borough of Queens" surveyed July 1906 by Alex D. Murphy and amended for the Title Guarantee & Trust Company by E. W. Conklin, surveyed December 1906 and filed as Map #135 in the Register's Office, County of Queens and running thence

(1) northwardly, along said center line of Walbridge Street as extended and along said center line of Walbridge Street 1580 feet more or less to an extension of the southerly line of Lot 25 in Block 17 as shown on said Map of the Higbie Addition; thence

(2) eastwardly, along said southerly line of Lot 25 and the extension thereof 132 feet more or less to the westerly line of lands now or formerly of George Wagner being also the easterly line of Lot 26 in Block 17 as shown on said Map of the Higbie Addition; thence

(3) southwardly, along said westerly line of lands now or formerly of George Wagner 10 feet more or less to a point in the southerly line of said lands now or formerly of George Wagner; thence

(4) eastwardly, along said southerly line of lands now or formerly of George Wagner being also the northerly line of lands now or formerly of J. & S. Jeanetti and along the extension thereof 260 feet more or less to the center line of Springfield Lane (60 foot width) as shown on the "Map of Kinsey Park, Property of Land Estates Incorp. situated at Springfield in the Fourth Ward, Borough of Queens, City and State of New York" surveyed April 27, 1922, by Raymond Page, City Surveyor, and filed as Map #4286 in the Register's Office, County of Queens; thence

(5) along said center line of Springfield Lane (60 foot width) 6 feet more or less to an extension of the southerly line of lands now or formerly of Herbert H. Reynolds, being also an extension of the southerly line of Lot 29 in Block 1 as shown on said Map of Kinsey Park; thence

(6) eastwardly, along the southerly line of lands now or formerly of Herbert H. Reynolds, Joseph Hallahan and Mary Bazzano and the extension thereof being also the southerly line of Lots 29 and 30 in Block 1, Lots 15 and 42 in Block 2 and the extension thereof as shown on said Map of Kinsey Park 518 feet more or less to the easterly line of 207th Street as shown on said Map of Kinsey Park; thence

(7) southwardly, along said easterly line of 207th Street 22 feet more or less to the southerly line of lands now or formerly of Lottie Johannsen being also the southerly line of Lot 31 in Block 3 as shown on said Map of Kinsey Park; thence

(8) eastwardly, along said southerly line of lands now or formerly of Lottie Johannsen being also the southerly line of Lots 31 and 43 in Block 3 as shown on said Map of Kinsey Park and along the extension thereof 220 feet more or less to the center line of 208th Street (80 foot width) as shown on said Map of Kinsey Park (sometimes known as 225th Street); thence

(9) southwardly, along said center line of 208th Street 78 feet more or less to an extension of the southerly line of lands now or formerly of Theodore Wagenblast being also an extension of the southerly line of Lot 17 in Block 5 as shown on said Map of Kinsey Park; thence

(10) eastwardly, along said southerly line of Theodore Wagenblast and its extension 130 feet more or less to the westerly line of lands now or formerly of Chiarina Regolini being also the westerly line of Lots 25, 26, 27, 28 and 29 in Block 5 as shown on said Map of Kinsey Park; thence

(11) southwardly, along said westerly line of lands now or formerly of Chiarina Regolini a distance of 120 feet more or less to the southerly line of lands now or formerly of Chiarina Regolini being also the southerly line of Lot 25 in Block 5 as shown on said Map of Kinsey Park; thence

(12) eastwardly, along said southerly line of lands now or formerly of Chiarina Regolini, Salvatore and Anthony Simonetti and the White Co. being also the southerly line of Lot 25 in Block 5, Lots 21, 22 and 23 in Block 7 and Lots 18, 19 and 20 in Block 9 all as shown on said Map of Kinsey Park a distance

of 660 feet more or less to the center line of 211th Street (60 foot width) as shown on said Map of Kinsey Park; thence

(13) southwardly, along an extension of said center line of 211th Street as shown on said Map of Kinsey Park 2040 feet more or less to the northerly line of Rockaway Boulevard as now legally opened; thence

(14) westwardly, along said northerly line of Rockaway Boulevard 1820 feet more or less to the point and place of BEGINNING.

PARCEL B

BEGINNING at a point which is the intersection of the extension of the center line 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, and running thence

(1) southwardly, along said center line of 215th Street and the extension thereof, 1832 feet more or less to the northerly line of Rockaway Boulevard as now legally opened; thence

(2) eastwardly, along said northerly line of Rockaway Boulevard, 1851 feet more or less to the center line of 238th Street (60 foot width) as shown on a map entitled "City of N. Y., Borough of Queens, Office of the President, Topographical Bureau, Map No. 3091, The Relocation of Rockaway Boulevard, in the Fourth Ward, New York, Aug. 5, 1948," etc., filed in the Register's Office, Queens County as Map #8131; thence

(3) northwardly, along said center line of 238th Street and along the extension thereof, parallel with course numbered one (1) hereinabove described 1370 feet; thence

(4) eastwardly, at right angles to the preceding course, 265 feet; thence

(5) northwardly, at right angles to the preceding course, 410 feet more or less to a point in the westerly line of Brookville Boulevard as now legally opened, formerly known as Foster's Meadow Road; thence

(6) northwardly, along said westerly line of Brookville Boulevard, 775 feet more or less to the center line of John Street (40 foot width) as shown on a

map entitled "E. E. Meacham & Sons, South Rosedale, Fourth Ward, Borough of Queens, Surveyed and Subdivided by H. S. Thomson, City Surveyor," dated Feb. 1st, 1907, and filed in the Register's Office, Queens County as Map #989 (old) and 1183 (new); thence

(7) westwardly, along said center line of John Street and along a line in extension thereof, 595 feet more or less to the intersection with a line in extension of the center line of 149th Avenue as shown on said Map of Jamaica Gardens South; thence

(8) westwardly, along said extension of the center line of 149th Avenue and along said center line of 149th Avenue, 1073 feet more or less to the point and place of BEGINNING.

PARCEL C

ALL that certain plot, piece or parcel of land situate, lying and being at or near Springfield, in the 4th Ward, Borough of Queens, County of Queens, City and State of New York, bounded and described as follows:

BEGINNING at a stake driven in the ground where the northeasterly side of Rockaway Boulevard (formerly Turnpike) intersects the center line of an old ditch which said center line of said ditch is the southeasterly line of land now or formerly of John L. Compton; thence from said point of beginning running thence North 20 degrees 20 minutes East along the center line of said ditch 373.76 feet to a stake driven in the ground at a point where said center line of said ditch intersects the center line of another certain old ditch; thence North 62 degrees 56 minutes 20 seconds East along the center line of said last mentioned ditch through a stake, a line of old posts and old stake and another stake, along the southerly line of land now or formerly of Kornville, Isaac Baylis & Nicholas Clement, respectively, 1356 feet more or less to a small brook adjoining the southwesterly line of land now or formerly of Nicholas Ludlum; thence Easterly, Southeasterly, Easterly and Southeasterly, along the center line of said small brook adjoining the land now or formerly of said Ludlum as it winds and turns, 275 feet more or less to a point where the same is intersected by the center line of another certain old ditch adjoining the land now or formerly of Burdett C. Douglas; thence South 67 degrees 25 minutes 5 seconds West through an old stake and center line of a ditch adjoining the northerly line of land now or formerly of said Douglas 1456 feet more or less to a point where said center line of said last mentioned ditch intersects the center line of a certain slough or creek adjoining the westerly line of land of said Douglas; thence Southerly, Southeasterly and Southwesterly along the center line of the last men-

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tioned creek and along the westerly line of now or formerly Douglas, land now or formerly of Wright B. Higbie and land formerly of Derrick Remsen, 255 feet more or less to a point where the same is intersected by the northwesterly boundary line of land now or formerly of Frank Muller; thence South 17 degrees 29 minutes West through a stake in said line of land of Muller 243 feet more or less to a stake in the ground on the northeasterly side of Rockaway Boulevard; and thence North 45 degrees 55 minutes West along the said northeasterly side of Rockaway Boulevard 250.8 feet to the point or place of BEGINNING.

SUBJECT, however, to the following:

1. Outstanding title in any of the parcels herein in the People of the State of New York and liens and encumbrances in favor of the People of the State of New York which reduce the estate or interest of any of the former owners.

2. Encroachments, if any, upon the premises herein described of any structures and appurtenances standing or maintained partly upon the premises herein described and partly upon adjoining premises.

3. Any state of facts which an accurate survey may show.

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THE CITY OF NEW YORK

AND

THE PORT OF NEW YORK AUTHORITY

FOURTH SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

Dated November 6, 1958

AGREEMENT (hereinafter referred to as "Fourth Supplemental Agreement") made as of this 6th day of [illegible], 1958, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York, with its principal office at the City Hall, in the Borough of Manhattan, City of New York (hereinafter referred to as the "City") and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter referred to as the "Port Authority"),

WITNESSETH, That:

WHEREAS, under date of April 17, 1947, the City and the Port Authority entered into an Agreement with respect to Municipal Air Terminals (hereinafter referred to as the "Original Agreement"), the execution of which by the City was authorized by resolution duly adopted by its Board of Estimate on April 17, 1947 (Cal. No. 5) and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on April 17, 1947, and

WHEREAS, under date of May 26, 1949, the City and the Port Authority entered into an agreement (hereinafter referred to as the "First Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said First Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on May 26, 1949 (Cal. No. 137) and the execution thereof by the Port Authority having been authoriz by resolution duly adopted by its Board of Commissioners on May 12, 1949, and

WHEREAS, under date of November 7, 1952, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Second Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Second Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on October 23, 1952 (Cal. No. 27) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on August 14, 1952, and

WHEREAS, under date of May 28, 1956, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Third Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Third Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on April 26, 1956 (Cal. No. 111) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on May 10, 1956, and

WHEREAS, it is necessary and desirable that certain of the terms, conditions and provisions of said Original Agreement should be further modified, amended and supplemented,

NOW, THEREFORE, for and in consideration of the agreements and covenants herein contained, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns that said Original Agreement shall be and it is hereby supplemented and amended as follows:

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I. DEFINITIONS

Except as hereinafter expressly provided any words or phrases used in this Fourth Supplemental Agreement and specifically defined in the Original Agreement shall be read and construed in accordance with the definition in the Original Agreement.

II. SUBSTITUTED SCHEDULE A

The schedule marked "Substituted Schedule A" annexed to the Second Supplemental Agreement and amended and supplemented by the Third Supplemental Agreement is hereby further amended and supplemented by adding as Items 11, 12 and 13 thereof, the "Supplement to Substituted Schedule A" annexed hereto. Whenever in the Original Agreement reference is made to Schedule A, such reference shall be construed to refer to said Substituted Schedule A as substituted by the Second Supplemental Agreement, amended and supplemented by the Third Supplemental Agreement and as amended and supplemented hereby.

III. SURRENDER OF PORTION OF DEMISED PREMISES - LA GUARDIA AIRPORT - ADDITIONAL LANDS

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described in Item 13 of the "Supplement to Substituted Schedule A" attached hereto, and all the estate, right, title, interest, term of years, property, claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, upon the conditions following, to wit during the term for which the demised premises are leased,

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1. the Port Authority and the Civil Aeronautics Administration shall have the right, without cost or expense to the City, to install, maintain, operate, relocate or replace in, under and upon the premises herein surrendered, including any city streets which may be within the boundaries thereof, such approach lighting systems and other aids to avigation and facilities incidental thereto as shall be necessary or desirable in the opinion of the Port Authority or of the Civil Aeronautics Administration for the safe and efficient operation of La Guardia Airport, at locations therein which the Port Authority shall deem appropriate therefor, and the Port Authority and the Civil Aeronautics Administration, its and their duly designated employees, contractors and agents shall have the right at all times to enter upon the said premises to inspect the condition thereof and to enter thereon with men, equipment, trucks and vehicles in order to effect the installation, repair, replacement, expansion and relocation of such approach lighting systems, other aids to avigation, and facilities incidental thereto;

2. the City shall use the premises herein surrendered for park purposes and for no other purpose whatseever; the City shall not develop or use the premises herein surrendered nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and efficient operation and development of La Guardia Airport or the safe and unrestricted passage of aircraft in and over the same; the City shall abate any smoke or vapor, at the request of the Port Authority; the City shall not erect, install or maintain any structure, building, tower, pole, wire or other object the construction, maintenance or operation of which would constitute a hazard to avigation in the opinion of the Port Authority;

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3. 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 or maintained by or on behalf of the Port Authority or the Civil Aeronautics Administration; and

4. the City shall not place fill in or upon the premises surrendered by Section III of this Fourth Supplemental Agreement or place any structures or buildings thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, provided that such approval shall not be withheld unreasonably.

IV. SURRENDER OF SURPLUS PARCEL - ITEM 9 - SUBSTITUTED SCHEDULE A

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described as Item 9 in the Substituted Schedule A attached to the Second Supplemental Agreement and all the estate, right, title, interest, term of years, property claims and demands whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever.

V. LEASE OF ADDITIONAL DEMISED PREMISES - NEW YORK INTERNATIONAL AIRPORT - LANDS UNDER WATER

The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City, for air terminal purposes and for purposes incidental thereto, so much of the additional lands shown by hatching on the map of New York International Airport annexed hereto marked "Supplemental Map II-B" as are owned by the City, to have and to hold unto the Port Authority from the date of this Fourth Supplemental Agreement until the expiration or sooner termination of the Original Agreement, subject to all of the terms, covenants and conditions set forth in the said Original Agreement.

In the event that it should be necessary for an application to be made to the State of New York to remove any cloud upon the title of the City with respect to said premises, the City shall cooperate with the Port Authority with respect to any and all applications, measures or other action appropriate for the effectuation of said purpose.

VI. RENT

There shall be no reduction in rent or the Port Authority's obligations under the agreement with respect to the Municipal Air Terminals as amended and supplemented by reason of the release or surrender of any of the premises herein provided for.

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 Mayor; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this

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Agreement to be signed by its Executive Director, the day and year first above written.

Attest:

/s/ [illegible]
City Clerk

THE CITY OF NEW YORK

/s/ [illegible]
Deputy Mayor

Attest:

/s/ [illegible]
Secretary

THE PORT OF NEW YORK AUTHORITY

/s/ [illegible]
Executive Director

Approved as to Form

[illegible]
Corporation Counsel

(Original)

Approved as to Form

[illegible]
Asst. General Counsel

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

On this 6th day of November, 1958, before me personally came and appeared AUSTIN J. TOBIN, to me known, who being by me duly sworn, did depose and say that he resides at 320 Central Park West, New York 25, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY and that he signed his name thereto by like order.

/s/ ALBERT J. BUCKLEY

ALBERT J. BUCKLEY
NOTARY PUBLIC STATE OF NEW YORK
NO. 60-0479065
QUALIFIED IN WESTCHESTER COUNTY
COMMISSION EXPIRES MARCH 30, 1960

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

On the 19th day of March, 1958, before me personally came HERMAN KATZ, with whom I am personally acquainted, and known to me to be the City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn did depose and say that he resides at 308 East 79th Street, Borough of Manhattan, City of New York; that he is the City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knew the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Estimate, and that he signed his name thereto as City Clerk by like authority; and further that he knows and is acquainted with ROBERT T. WAGNER and knows him to be the person described in and who as Deputy Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe and execute the same, and that he acknowledged to him, the said HERMAN KATZ, that he executed the same, and he, the said HERMAN KATZ thereupon subscribed his name hereto.

[illegible] Freedman
Frieda Freedman
Commissioner of Deeds, City of New York
by County Clerk No. 6?
Commission Expires Oct 8, [illegible]

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SUPPLEMENT TO SUBSTITUTED SCHEDULE A

ITEM 11

PIER FOR APPROACH LIGHTING TO RUNWAY "V PRIME" AT NEW YORK INTERNATIONAL AIRPORT

A permit for the construction, reconstruction, maintenance, repair and operation of a pier for approach lighting to Runway "V Prime" at New York International Airport in Jamaica Bay, in the Borough and County of Queens, in the City and State of New York, in that area more particularly bounded and described as follows:

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 500.00 feet thereon from the southerly end of said runway, the coordinates of said point being South 61,423.13, East 78,235.35 and running thence (1) South 88°-21' East, 50.00 feet to a point, the coordinates of said point being South 61,424.57, East 78,285.33; 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, 2510.00 feet to a point, the coordinates of said point being South 63,933.53, East 78,213.05; thence (3) North 88°-21' West, 100.00 feet to a point, the coordinates of said point being South 63,930.65, East 78,113.09; 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, 2510.00 feet to a point, the coordinates of said point being South 61,421.69, East 78,185.37; thence (5) South 88°-21' East, 50.00 feet to the point and place of beginning, the area whereof is 5.76 acres more or less.

Bearings of lines and coordinates as herein described refer to the rectangular system in use in the Borough of Queens which refers to the former Southeasterly corner of 10th Avenue and West 225th Street in the Borough of Manhattan as origin and the former easterly line of 10th Avenue as meridian or principal axis, the latter being inclined 28°-59'-13.5"± eastward or clockwise from the axis of the Brooklyn system, which is the meridian through United States Coast & Geodetic Station "Prospect Water Tower".

ITEM 12

MIDDLE MARKER PARCEL - RUNWAY "V PRIME" - NEW YORK INTERNATIONAL AIRPORT

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 and 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.

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Together with the necessary rights for a submarine cable extending from the parcel entitled "Pier for Approach Lighting to Runway 'V Prime' at New York International Airport" to the parcel entitled "Middle Marker Parcel - Runway 'V Prime' - New York International Airport".

Bearings of lines and coordinates as herein described refer to the rectangular system in use in the Borough of Queens which refers to the former Southeasterly corner of 10th Avenue and West 225th Street in the Borough of Manhattan as origin and the former easterly line of 10th Avenue as meridian or principal axis, the latter being inclined 28°-59'-13.5"± eastward or clockwise from the axis of the Brooklyn system, which is the meridian through United States Coast & Geodetic Station "Prospect Water Tower".

ITEM 13

ALL those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

PARCEL 1

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) Southwestwardly,

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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°-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°-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°-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°-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°-56'-00" with the preceding course, at right angles 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.

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PARCEL 2

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°-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°-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 3

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

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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°-46'-03" with the preceding course, 108.49 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°-13'-57" with the preceding course, 104.29 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 4

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 line 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

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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 Strnad 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 5

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.

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PARCEL 6

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, 133.44 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, 100.00 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.

PARCEL 7

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 (1) Eastwardly, along said southerly line of Grand Central Parkway and along the northerly line of lands conveyed by Feldwood Realty Corporation to the Port of New York Authority by Deed dated November 28, 1956 and Recorded in the Register's Office of Queens County on November 29, 1956 in Liber 6932 of Deeds at page 295 therein, 202.92 feet to the westerly line of 82nd Street (60.00 feet wide); thence (2) Southwardly, along said westerly line of 82nd Street, 155.22 feet to the southerly line of lands conveyed as aforesaid; thence (3) Westwardly, along said southerly line of lands conveyed as aforesaid, 200.00 feet to said easterly line of 81st Street; thence (4) Northwardly, along said easterly line of 81st Street, 119.07 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 8

BEGINNING at a point which is the intersection of the easterly line of 82nd Street (60.00 feet wide) with the northerly line of Astoria Boulevard (130.00 feet wide) and running thence (1) Northwardly, along said easterly line of 82nd Street, 296.57 feet to the northerly line of lands acquired by The Port of New York Authority in Condemnation Proceeding in which title vested on June 6, 1956; thence (2) Eastwardly, along said northerly line of lands so acquired, 200.01 feet to the westerly line of

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83rd Street (60.00 feet wide); thence (3) Southwardly, along said westerly line of 83rd Street, 167.83 feet to the southerly line of lands acquired by condemnation as aforesaid; thence (4) Westwardly, along said southerly line of lands so acquired, 107.29 feet to the easterly line of lands so acquired; thence (5) Southwardly, along said easterly line of lands acquired by condemnation as aforesaid and along the easterly line of lands conveyed by Kunigunda Rickel & Louise S. Grimm by Deeds dated July 14 and 19, 1956 and September 24, 1956 and Recorded severally in the Register's Office of Queens County on July 26, 1956 in Liber 6897 at pages 57 & 59 therein and on October 4, 1956 in Liber 6917 at pages 611 and 613 therein, 173.89 feet to said northerly line of Astoria Boulevard; thence (6) Westwardly, along said northerly line of Astoria Boulevard, 127.72 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 9

BEGINNING at a point which is the intersection of the easterly line of 83rd Street (60.00 feet wide) with the southerly line of Grand Central Parkway as in use being also the northwesterly corner of lands acquired by The Port of New York Authority in a Condemnation Proceeding in which title vested on June 6, 1956 and running thence (1) Eastwardly, along said southerly line of Grand Central Parkway and along the northerly line of lands acquired as aforesaid and along the northerly line of lands conveyed by Barkin Levin & Co., Inc. to The Port of New York Authority by Deed dated July 20, 1956

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and Recorded in the Register's Office of Queens County on July 27, 1956 in Liber 6895 of Deeds at page 549 therein, along the arc of a circle of 6603.00 feet radius the center of said arc lying to the south an arc distance of 262.64 feet to a point of compound curvature; thence (2) Eastwardly, continuing along said northerly line of lands conveyed as aforesaid and along said southerly line of Grand Central Parkway along the arc of a circle of 270.00 feet radius, the center of said arc lying to the south an arc distance of 188.49 feet to another point of compound curvature; thence (3) Eastwardly and Southwardly along said southerly line of Grand Central Parkway and said northerly line of lands conveyed as aforesaid, along the arc of a circle of 44.176 feet radius, the center of said arc lying to the south, an arc distance of 30.89 feet to a point in the westerly line of 85th Street (60.00 feet wide); thence (4) Southwardly, along said westerly line of 85th Street and along the easterly line of lands conveyed as aforesaid, 258.23 feet to the southerly line of lands conveyed as aforesaid; thence (5) Westwardly, along said southerly line of lands conveyed as aforesaid, 360.00 feet to the easterly line of lands conveyed as aforesaid; thence (6) Southwardly, along said easterly line of lands so conveyed, 41.38 feet to the southerly line of lands so conveyed; thence (7) Westwardly, along said southerly line of lands so conveyed, 100.00 feet to said easterly line of 83rd Street; thence (8) Northwardly, along said easterly line of 83rd Street, 269.32 feet to the point and place of BEGINNING.

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THIS INDENTURE, made the 6th day of [illegible] 1958, between THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of Congress, having its office at 111 Eighth Avenue, Borough of Manhattan, City, County and State of New York, (hereinafter referred to as the "Port Authority") and THE CITY OF NEW YORK, a municipal corporation of the State of New York, having its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (hereinafter referred to as the "City"),

WHEREAS, the Agreement between the Port Authority and the City with respect to Municipal Air Terminals dated April 17, 1947, which Agreement was recorded on the 22nd day of May, 1947, in the office of the Register of the City of New York (Queens County) in Liber 5402 of Conveyances, page 319, provides among other things that the Port Authority shall convey to the City any lands or interests therein which it acquires for use in extension of the Municipal Air Terminals or for use in maintaining airplane beacons, guides or other aids to avigation, and that thereupon such property shall become part of the premises demised to the Port Authority under said Agreement; and

WHEREAS, the Port Authority has acquired for municipal air terminal purposes the lands hereinafter described, subject to the encumbrances and exceptions specified herein,

NOW, THEREFORE, WITNESSETH, that 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:

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all those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

PARCEL 1

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) Southwestwardly, 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°-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°-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°-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°-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°-56'-00" with the preceding course, at right angles 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 2

BEGINNING at a point which is the interestion 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°-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°-00'-40" with the preceding course, 121.34 feet to the point and place of BEGINNING.

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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 3

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°-46'-03" with the preceding course, 108.49 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°-13'-57" with the preceding course, 104.29 feet to the westerly line of 80th Street (60.00 feet wide); thence (5) Southwardly, along said

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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 4

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 line 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

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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 cener 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 Strnad 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.

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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 5

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.

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PARCEL 6

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, 133.44 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, 100.00 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.

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PARCEL 7

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 (1) Eastwardly, along said southerly line of Grand Central Parkway and along the northerly line of lands conveyed by Feldwood Realty Corporation to the Port of New York Authority by Deed dated November 28, 1956 and Recorded in the Register's Office of Queens County on November 29, 1956 in Liber 6932 of Deeds at page 295 therein, 202.92 feet to the westerly line of 82nd Street (60.00 feet wide); thence (2) Southwardly, along said westerly line of 82nd Street, 155.22 feet to the southerly line of lands conveyed as aforesaid; thence (3) Westwardly, along said southerly line of lands conveyed as aforesaid, 200.00 feet to said easterly line of 81st Street; thence (4) Northwardly, along said easterly line of 81st Street, 119.07 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.

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PARCEL 8

BEGINNING at a point which is the intersection of the easterly line of 82nd Street (60.00 feet wide) with the northerly line of Astoria Boulevard (130.00 feet wide) and running thence (1) Northwardly, along said easterly line of 82nd Street, 296.57 feet to the northerly line of lands acquired by The Port of New York Authority in Condemnation Proceeding in which title vested on June 6, 1956; thence (2) Eastwardly, along said northerly line of lands so acquired, 200.01 feet to the westerly line of 83rd Street (60.00 feet wide); thence (3) Southwardly, along said westerly line of 83rd Street, 167.83 feet to the southerly line of lands acquired by condemnation as aforesaid; thence (4) Westwardly, along said southerly line of lands so acquired, 107.29 feet to the easterly line of lands so acquired; thence (5) Southwardly, along said easterly line of lands acquired by condemnation as aforesaid and along the easterly line of lands conveyed by Kunigunda Rickel & Louise S. Grimm by Deeds dated July 14 and 19, 1956 and September 24, 1956 and Recorded severally in the Register's Office of Queens County on July 26, 1956 in Liber 6897 at pages 57 & 59 therein and on October 4, 1956 in Liber 6917 at pages 611 and 613 therein, 173.89 feet to said northerly line of Astoria Boulevard; thence (6) Westwardly, along said northerly line of Astoria Boulevard, 127.72 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 9

BEGINNING at a point which is the intersection of the easterly line of 83rd Street (60.00 feet wide) with the southerly line of Grand Central Parkway as in use being also the northwesterly corner of lands acquired by The Port of New York Authority in a Condemnation Proceeding in which title vested on June 6, 1956 and running thence (1) Eastwardly, along said southerly line of Grand Central Parkway and along the northerly line of lands acquired as aforesaid and along the northerly line of lands conveyed by Barkin Levin & Co., Inc. to The Port of New York Authority by Deed dated July 20, 1956 and Recorded in the Register's Office of Queens County on July 20, 1956 in Liber 6895 of Deeds at page 549 therein, along the arc of a circle of 6603.00 feet radius the center of said arc lying to the south an arc distance of 262.64 feet to a point of compound curvature; thence (2) Eastwardly, continuing along said northerly line of lands conveyed as aforesaid and along said northerly line of Grand Central Parkway along the arc of a circle of 270.00 feet radius, the center of said arc lying to the south an arc distance of 188.49 feet to another point of compound curvature; thence (3) Eastwardly and Southwardly along said northerly line of Grand Central Parkway and said northerly line of lands conveyed as aforesaid, along the arc of a circle of 44.176 feet radius, the center of said arc lying to the south, an arc distance of 30.89 feet to a point in the westerly line of 85th Street (60.00 feet wide); thence (4) Southwardly, along said westerly line of 85th Street and along the easterly line of lands conveyed as

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aforesaid, 258.23 feet to the southerly line of lands conveyed as aforesaid; thence (5) Westwardly, along said southerly line of lands conveyed as aforesaid, 360.00 feet to the easterly line of lands conveyed as aforesaid; thence (6) Southwardly, along said easterly line of lands so conveyed, 41.38 feet to the southerly line of lands so conveyed; thence (7) Westwardly, along said southerly line of lands so conveyed, 100.00 feet to said easterly line of 83rd Street; thence (8) Northwardly, along said easterly line of 83rd Street, 269.32 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.

Subject, however, to the following:

(a) the Agreement with respect to Municipal Air Terminals between the Port Authority and the City, dated April 17, 1947, and all rights of the Port Authority as lessee or otherwise under said Agreement;

(b) outstanding title in any of the People herein in the State of New York or in the City and liens and encumbrances in favor of the People of the State of New York or the City which reduce the estate or interest of any of the former owners;

(c) encroachments, if any, upon the premises herein described of any structures or appurtenances standing or maintained partly upon the premises herein described and partly upon the adjoing premises; and

(d) any state of facts which an accurate survey may show.

TO HAVE AND TO HOLD the premises granted to the City, its successors and assigns forever, subject, however, to the items specified aforesaid.

IN WITNESS WHEREOF, the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this indenture to be signed in triplicate by its Executive Director the day and year first above written.

THE PORT OF NEW YORK AUTHORITY

By _____
Austin J. Tobin, Executive Director

ATTEST:

_____
Secretary

Approved as to form:

_____
Sidney Goldstein
General Counsel

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THE CITY OF NEW YORK

AND

THE PORT OF NEW YORK AUTHORITY

FIFTH SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

Dated October 3, 1960

AGREEMENT (hereinafter referred to as "Fifth Supplemental Agreement") made as of this 3rd day of October , 1960, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York, with its principal office at the City Hall, in the Borough of Manhattan, City of New York (hereinafter referred to as the "City") and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter referred to as the "Port Authority"),

WITNESSETH, That:

WHEREAS, under date of April 17, 1947, the City and the Port Authority entered into an Agreement with respect to Municipal Air Terminals (hereinafter referred to as the "Original Agreement"), the execution of which by the City was authorized by resolution duly adopted by its Board of Estimate on April 17, 1947 (Cal. No. 5), and the execution of which by the Port Authority was authorized by resolution duly adopted by its Board of Commissioners on April 17, 1947, and

WHEREAS, under date of May 26, 1949, the City and the Port Authority entered into an agreement (hereinafter referred to as the "First Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said First Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on May 26, 1949 (Cal. No. 137) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on May 12, 1949, and

WHEREAS, under date of November 7, 1952, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Second Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Second Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on October 23, 1952 (Cal. No. 27) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on August 14, 1952, and

WHEREAS, under date of May 28, 1956, the City and the Port Authority entered into an agreement (hereinafter referred to as the "Third Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Third Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on April 26, 1956 (Cal. No. 111) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on May 10, 1956, and

WHEREAS, under date of November 6, 1959 the City and the Port Authority entered into an Agreement (hereinafter referred to as "Fourth Supplemental Agreement") modifying and supplementing said Original Agreement, the execution of said Fourth Supplemental Agreement by the City having been authorized by resolution duly adopted by its Board of Estimate on October 9, 1958 (Cal. No. 60) and the execution thereof by the Port Authority having been authorized by resolution duly adopted by its Board of Commissioners on October 8, 1958, and

WHEREAS, it is necessary and desirable that certain of the terms, conditions and provisions of said Original Agreement should be further modified, amended and supplemented;

NOW, THEREFORE, for and in consideration of the agreements and covenants herein contained, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns that said Original Agreement shall be and it is hereby supplemented and amended as follows:

I. DEFINITIONS

Except as hereinafter expressly provided, any words or phrases used in this Fifth Supplemental Agreement and specifically defined in the Original Agreement shall be read and construed in accordance with the definition in the Original Agreement.

II. SUBSTITUTED SCHEDULE A

The schedule marked "Substituted Schedule A" annexed to the Second Supplemental Agreement and amended and supplemented by the Third Supplemental Agreement and the Fourth Supplemental Agreement is hereby further amended and supplemented by adding as Item 14 thereof, the "Supplement to Substituted Schedule A" annexed hereto. Whenever in the Original Agreement reference is made to Schedule A, such reference shall be construed to refer to said Substituted Schedule A as substituted by the Second Supplemental Agreement, amended and supplemented by the Third Supplemental Agreement and by the Fourth Supplemental Agreement and as amended and supplemented hereby.

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III. SURRENDER OF PORTION OF DEMISED PREMISES - LA GUARDIA AIRPORT--ADDITIONAL LANDS

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described in Item 14 of the "Supplement to Substituted Schedule A" attached hereto, and all the estate, right, title, interest, term of years, property, claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, upon the conditions following, to wit: during the term for which the demised premises are leased.

1. The Port Authority and its employees, contractors, permittees, agents or other person duly designated by it shall have the right, without cost or expense to the City, to install, maintain, operate, relocate or replace in, under and upon the premises herein surrendered, including any city streets which may be within the boundaries thereof, such approach lighting systems and other aids to avigation and facilities incidental thereto as shall be necessary or desirable in the opinion of the Port Authority for the safe and efficient operation of LaGuardia Airport, at locations therein which the Port Authority shall deem appropriate therefor, and the Port Authority and its employees, contractors, permittees, agents or other person duly designated by it shall have the right at all times to enter upon the said premises to inspect the condition thereof and to enter thereon with men, equipment, trucks and vehicles in order to effect the installation, repair, replacement, expansion and relocation of such

approach lighting systems, other aids to avigation, and facilities incidental thereto;

2. the City shall use the premises herein surrendered for park purposes and for no other purpose whatsoever; the City shall not develop or use the premises herein surrendered nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and efficient operation and development of La Guardia Airport or the safe and unrestricted passage of aircraft over the premises herein surrendered; the City shall abate any smoke or vapor, at the request of the Port Authority; the City shall not erect, install or maintain any structure, building, tower, pole, wire or other object the construction, maintenance or operation of which would constitute a hazard to avigation in the opinion of the Port Authority;

3. 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 or maintained by or on behalf of the Port Authority; and

4. the City shall not place fill in or upon the premises surrendered by Section III of this Fifth Supplemental Agreement or place any structures or buildings thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, provided, that such approval shall not be withheld unreasonably.

IV. SURRENDER OF SURPLUS PARCEL - ITEM 2 - SUBSTITUTED SCHEDULE A

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender

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of the portion of the demised premises consisting of four (4) parcels of land on Rikers Island, Borough of the Bronx, described as Item 2 in the Substituted Schedule A attached to the Second Supplemental Agreement, and all the estate, right, title, interest, term of years, property, claims and demands whatsoever of the Port Authority of, in to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, subject, however, during the term for which the demised premises were leased, to the provisions of section 24 of the Original Agreement.

V. LEASE OF ADDITIONAL DEMISED PREMISES - LA GUARDIA AIRPORT

The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City, for air terminal purposes and for purposes incidental thereto, the additional lands shown in cross hatching on the map of La Guardia Airport annexed hereto marked "Supplemental Map I-A" to have and to hold unto the Port Authority from the date of this Fifth Supplemental Agreement until the expiration or sooner termination of the Original Agreement, subject to all of the terms, covenants and conditions set forth in the said Original Agreement.

As soon as possible after completion of the programm of rehabilitating and improving La Guardia Airport, the Port Authority shall, itself or through others acting on its behalf, landscape the area along Grand Central Parkway between the Parkway pavement and the southerly boundary of La Guardia Airport shown on the annexed "Supplemental Map I-A" with screen planting satisfactory to the

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Department of Parks and, as between the City and the Port Authority, the Port Authority shall assume the cost of such initial landscaping. Thereafter, such landscaping shall be maintained by the City.

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 Mayor; 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, the day and year first above written.

ATTEST:

Herman Katz
City Clerk

THE CITY OF NEW YORK

Robert F. Wagner
Mayor

ATTEST:

Joseph G. Carty
Secretary

THE PORT OF NEW YORK AUTHORITY

Austin J. Tobin
Executive Director

Approved as to Form

Leo A. Larkin
Acting Corporation Counsel

Approved as to Form

R. C. Skehan
Assistant General Counsel

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

On this 14th day of July, 1960, before me personally came and appeared AUSTIN J. TOBIN, to me known, who being by me duly sworn, did depose and say that he resides at New York 25, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to the said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY and that he signed his name thereto by like order.

Albert J. Buckley

ALBERT J. BUCKLEY
NOTARY PUBLIC, State of New York
No. 60-0479065
Qualified in Westchester County
Commission expires March 30, 1961.

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

On the 11th day of October, 1960, before me personally came HERMAN KATZ, with whom I am personally acquainted, and known to me to be the City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn did depose and say that he resides at [redacted] Street, Borough of Manhattan, City of New York; that he is the City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knew the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Estimate, and that he signed his name thereto as City Clerk by like authority; and further that he knows and is acquainted with ROBERT F. WAGNER and knows him to be the person described in and who as Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe and execute the same, and that he acknowledged to him, the said HERMAN KATZ, that he executed the same, and he, the said HERMAN KATZ thereupon subscribed his name hereto.

Joseph A. Fanelli

JOSEPH A. FANELLI
Commissioner of Deeds City of New York
New York County Clerk's No. 19
Commission Expires March 19, 1961

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Supplement to Substituted Schedule A

ITEM 14

PARCEL 1

ALL those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate, lying and being 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 Valentin 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 25th 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, 45.04 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 2

All that certain plot, piece or parcel of land situate, lying and being in the Borough and County of Queens, City and State of New York, known as and by the Lot No. 1, Block No. 1077 of Section 7, as shown on Tax Map of the County of Queens, said Block No. 1077 being designated as Block No. 1409 of Section 6 of the land Map of the County of Queens, and bounded and described as follows:

On the North by Grand Central Parkway, on the West by Eighty-Second Street; and on the East by Eighty-Third Street.

All right, title and interest of the Port Authority or which the Port Authority has power to convey or dispose of, in and to all strips and gores abutting and of the title lines of said premises.

Subject, however, to the following:

(a) the Agreement with respect to Municipal Air Terminals between the Port Authority and the City, dated April 17, 1947, and all rights of the Port Authority as lessee or otherwise under said Agreement;

(b) outstanding title, if any, of the People of the State of New York or of the City and liens and encumbrances in favor of the People of the State of New York or the City which reduce the estate or interest of any of the former owners;

(c) encroachments, if any, upon the premises herein described of any structures or appurtenances standing or maintained partly upon the premises herein described and partly upon the adjoining premises; and

(d) any state of facts which an accurate survey may show.

TO HAVE AND TO HOLD the premises granted to the City, its successors and assigns forever, subject, however, to the items specified aforesaid.

IN WITNESS WHEREOF, the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this indenture to be signed in triplicate by its Executive Director the day and year first above written.

ATTEST:

Joseph G. Carty
Secretary

THE PORT OF NEW YORK AUTHORITY

By Austin J. Tobin
Austin J. Tobin
Executive Director

Approved as to form:

Rosaleen C. Skehan
Sidney Goldstein
General Counsel

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

On the 14 day of ~~March~~ July 1960, before me personally came AUSTIN J. TOBIN to me known, who, being by me duly sworn, did depose and say that he resides at [redacted] New York, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY; and that he signed his name thereto by like order.

Albert J. Buckley
Notary Public
Albert J. Buckley
Notary Public, State of New York
No.60-0479065
Qualified in Westchester County
Commission expires March 30, 1961

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THIS INDENTURE, made the 14 day of July 1960, between THE PORT OF NEW YORK AUTHORITY, a body corporate and politic, created by Compact between the States of New York and New Jersey, with the consent of Congress, having its office at 111 Eighth Avenue, Borough of Manhattan, City, County and State of New York, (hereinafter referred to as the "Port Authority") and THE CITY OF NEW YORK, a municipal corporation of the State of New York, having its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (hereinafter referred to as the "City"),

WHEREAS, the Agreement between the Port Authority and the City with respect to Municipal Air Terminals dated April 17, 1947, which Agreement was recorded on the 22nd day of May, 1947, in the office of the Register of the City of New York (Queens County) in Liber 5402 of Conveyances, page 319, provides among other things that the Port Authority shall convey to the City any lands or interests therein which it acquires for use in extension of the Municipal Air Terminals or for use in maintaining airplane beacons, guides or other aids to avigation, and that thereupon such property shall become part of the premises demised to the Port Authority under said Agreement; and

WHEREAS, the Port Authority has acquired for municipal air terminal purposes the lands hereinafter described, subject to the encumbrances and exceptions specified herein,

NOW, THEREFORE, WITNESSETH, that 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:

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ALL those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate, lying and being 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 Valentin 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 25th 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 said westerly side of 82nd Street, 4504 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.

TOGETHER WITH:

All right, title and interest of the Port Authority or which the Port Authority has power to convey or dispose of, in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the premises.

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REC. 163 PAGE 12

—BOOK 163—

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Sixth Supp.
C.P.
5002
319

THE CITY OF NEW YORK

B18.00

AND

OFFICE OF CITY REGISTER
Queens County
RECORDED
Witness my hand
and official seal
CITY REGISTER

THE PORT OF NEW YORK AUTHORITY

NOT SUBJECT TO MTGE TAX

The land affected ... premises
lies in ... 14260 Lots 1, 101 & 16
on the ... Map of the County of Queens.

SIXTH SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

JUN 29 65 8 7 9 7 7

DATED August 24, 1965

10.00

R&R
A. J. BUCKLEY, ESQ
ROOM 1515
111 EIGHTH AVE.
NEW YORK, N.Y. 10011

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SIXTH SUPPLEMENTAL AGREEMENT made as of the 24th day of August, 1965, between THE CITY OF NEW YORK, a New York municipal corporation, hereinafter called "The City", and "THE PORT OF NEW YORK AUTHORITY", a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, hereinafter called the "Port Authority".

W I T N E S S E T H, That:

WHEREAS, the parties hereto under date of April 17, 1947, have duly entered into an Agreement relating to Municipal Air Terminals, and

WHEREAS, the said parties have duly amended, supplemented and modified the said agreement by several Agreements duly entered into as of May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1959 and October 3, 1960, respectively, and

WHEREAS, the said parties desire to further amend, supplement and modify the Agreement of April 17, 1947, as amended, supplemented and modified,

NOW, THEREFORE, it is mutually agreed as follows:

1. SURRENDER OF PORTIONS OF DEMISED PREMISES - JOHN F. KENNEDY INTERNATIONAL AIRPORT

The Port Authority hereby gives, grants and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises shown cross-hatched and dotted on the map of John F.Kennedy International Airport annexed hereto and marked "Supplemental Map II-C", dated December 2, 1964, and further described in the annexed Schedule "A", and all the estate, right, title, interest, terms of years, property, claim and demand

whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the demised premises shown cross-hatched and dotted on said Supplemental Map II-C may be wholly merged, extinguished, determined and excluded from the original lease agreement, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, provided that the Port Authority shall have the right to the maintenance thereunder of existing utility facilities and aids to avigation of the Federal Aviation Agency and shall have the right to maintain and operate existing installations on Parcels 5, 6 and 7, and, subject to approval of the City, may relocate and replace such installations.

2. Pursuant to the provisions of Section V of the Third Supplemental Agreement of May 28, 1956, the Port Authority hereby consents to the use for street or highway purposes of those portions of the premises thereby surrendered which are shown hatched on Supplemental Map II-C, subject to such other conditions of that surrender which are not in conflict with the construction and the regulations approved by the State Superintendent of Public Works and the Federal Bureau of Public Roads.

It is understood that the line of the premises being surrendered by the Port of New York Authority or as to which it is granting consent to construction, all as shown on Supplemental Map II-C, shall be subject to modification as to detail as City authorized work progresses and as it is completed and in place, with confirmatory instruments to be provided as necessary.

3. CLOSING OF PORTION OF ROCKAWAY BOULEVARD - LOCATION OF NASSAU EXPRESSWAY.

The City agrees that it will close and discontinue as a street that portion of Rockaway Boulevard between New York Boulevard and a point 1,300 feet more or less, west of the northwest corner of Brookville Boulevard and Rockaway Boulevard. The City further agrees that a part of the proposed Nassau Expressway will be built north of that section of the existing Rockaway Boulevard which lies between Springfield Boulevard and a point 1,300 feet west of the northwest corner of Brookville Boulevard and Rockaway Boulevard, generally along the alignment shown on Supplemental Map II-C.

Port of New York Authority hereby waives any claim it may be entitled to by reason of the elimination, discontinuance and closing of said Rockaway Boulevard, and hereby agrees that there shall be no access from its property over and across said Rockaway Boulevard, except as it or the Federal Aviation Agency may require for the purpose of installing, operating, maintaining, relocating, replacing and inspecting approach lighting systems, other aids to avigation and facilities incidental thereto located within the area bounded by Rockaway Boulevard and the proposed New Nassau Expressway.

4. Except as in this agreement specifically stated, the terms, provisions and conditions of the agreements made by the parties hereto dated April 17, 1947, May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1959 and October 3, 1960, respectively,

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shall remain in full force and effect.

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 Mayor; 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, the day and year first above written.

ATTEST:
(Seal)
City Clerk

THE CITY OF NEW YORK
Mayor

ATTEST:
Secretary (Seal)

THE PORT OF NEW YORK AUTHORITY
Executive Director

Approved as to form
Corporation Counsel

Approved as to form
General Counsel

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

On the 12th day of August, 1965, before me came Austin J. Tobin, to me known, who, being by me duly sworn, did depose and say that he resides at New York City, that he is the Executive Director of the Port of New York Authority, the corporation described in, and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Commissioners of said corporation; and that he signed his name thereto by like order.

(Seal)

MILDRED C. PORTH
Notary Public, State of New York
No. 30-3137750
Qualified in Nassau County
Commission Expires March 30, 1967

Mildred C. Porth

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

On this 1st day of Aug, 1965, before me personally came Hermen Katz, with whom I am personally acquainted, and known to me to be the City Clerk of The City of New York, who being by me duly sworn, did depose and say that he resides at [illegible], in the Borough of Manhattan, City of New York; that he is the City Clerk of The City of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed as provided by law, and that he signed his name thereto as City Clerk by like authority, and further, that he knows and is acquainted with Robt F Wagner, and knows him to be the person described in and who, as Mayor of The City of New York, executed the said instrument; that he saw him subscribe, execute and deliver the same, and that he acknowledged to him, the said City Clerk, and that he executed and delivered the same, and he, the said City Clerk thereupon subscribed his name thereto.

Joseph A Fanelli

JOSEPH A. FANELLI
Commissioner of Deeds
City of New York No. 3-200
Certificate filed in New York County
Commission Expires March 1, 1967

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SCHEDULE A

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° 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° 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° 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 3° 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 26° 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° 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° 00' 13.2", a distance of 559.11 feet to a point; thence southwesterly 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° 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 generally northerly direction on a curve to the left, having a radius of 673.35 feet; a central angle 48° 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 on a curve to the right having - radius of 1918.64 feet, a central angle 4° 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° 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° 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° 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

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on a curve to the left, having a radius of 1050.00 feet; a central angle 13° 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. It being intended to describe Damage Parcel No. 112 as shown on Section 2 of the Damage Map in the Proceeding to acquire title to lands required for "Nassau Expressway".

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° 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° 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° 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 4970.00 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' 46.3" 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; thence northerly along the westerly side of 130th Street 56.32 feet to its intersection with the southerly side of 152nd Avenue; thence westerly along southerly side of 152nd Avenue 1560.00 feet to the westerly side of 124th Street; thence northerly at right angles to the last mentioned course 316.34 feet to the point or place of beginning. It being intended to describe Damage Parcel No.68, 69,70 and 71 as shown on Section 1 of the Damage Map in the Proceeding to acquire title to the lands required for "Nassau Expressway".

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. It being the intention to describe Damage Parcel No.111 as shown on Section I of the Damage Map in the Proceeding to acquire title to the lands required for "Nassau Expressway".

PARCEL 4

Portion of land from 150th Street to vicinity of 183rd Road, exclusive of Parcel 7, shown cross-hatched on Supplemental Map II-C.

PARCEL 5

Portion of land from extension of New York Boulevard to the extension of 228th Street, south of and adjoining Rockaway Boulevard, proposed for park use and shown dotted on Supplemental Map II-C.

PARCEL 6

Portion of land south of and adjoining Rockaway Boulevard from Brookville Boulevard westerly to a point 3,200 feet, more or less, from Brookville Boulevard proposed for park use, as shown dotted on Supplemental Map II-C.

PARCEL 7

Triangular portion of land south of the southerly side of Rockaway Boulevard from 159th Street to 147th Avenue, north of the right-of-way line of Nassau Expressway, proposed for additional lands, as shown cross-hatched on Supplemental Map II-C.

THE CITY OF NEW YORK

AND

THE PORT OF NEW YORK AUTHORITY

SEVENTH SUPPLEMENTAL AGREEMENT

WITH RESPECT TO

MUNICIPAL AIR TERMINALS

Dated December 21, 1965

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SEVENTH SUPPLEMENTAL AGREEMENT made as of the 21 day of December, 1965 between THE CITY OF NEW YORK, a New York municipal corporation, hereinafter called "the City," and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, hereinafter called the "Port Authority."

WITNESSETH:

WHEREAS, under date of April 17, 1947 the City and the Port Authority entered into an Agreement With Respect to Municipal Air Terminals, (hereinafter referred to as the "Original Agreement"), providing for the improvement, development, operation and maintenance of John F. Kennedy International Airport and LaGuardia Airport by the Port Authority for a term commencing June 1, 1947 and expiring not later than May 31, 1997; and

WHEREAS, under dates of May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1958, October 3, 1960 and August 24, 1965, the City and the Port Authority have duly amended, supplemented and modified said Original Agreement; and

WHEREAS, the City and the Port Authority are agreed that increase in the annual rental payable to the City, commencing with the calendar year 1965, will be in the public interest, and that the financing by the Port Authority of the costs of continued improvement, development, operation and maintenance of said airports will be facilitated by extension of the term of said Original Agreement;

NOW, THEREFORE, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns, that said Original Agreement shall be and it hereby is amended, supplemented and modified as follows:

1. DEFINITIONS

a. Section 1 of the Original Agreement is hereby amended by striking out the definitions of "Gross operating revenue," "Net operating revenue," and "Annual net revenue" and by substituting the following:

"Current year." The calendar year for which the rent is being computed.

"Annual net revenue." The difference between:

(a) the gross revenue of the current year; and

(b) the sum of the following: (1) operation and maintenance expense of the current year; (2) general and administrative expense of the current year; (3) imputed debt service of the current year.

"Gross revenue." All income and revenue of any nature whatsoever, derived by the Port Authority, in any manner whatsoever, or from any source whatsoever, from or in connection with the operation of the municipal air terminals, (including, without limiting the generality of the foregoing, net earnings derived from the investment of municipal air terminal operating funds) except the proceeds of bonds and notes and interest earned on capital funds.

"Operation and maintenance expense." The expense of the Port Authority which is directly attributable to the operation and maintenance of the municipal air terminals during the current year (other than the rent payable to the City by the Port Authority for the demised premises and general and administrative expense). No deduction, allowance or provision for depreciation, except for automotive equipment and equipment ancillary thereto, is to be included in the operation and maintenance expense.

"General and administrative expense." A sum equal to fifteen (15%) percent of the operation and maintenance expense.

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"Imputed debt service." The sum of:

(a) the unamortized debt component (computed by multiplying the unamortized debt as of January 1 of the current year by the amortization factor for such year) and

(b) the capital replacement component (computed by multiplying the value of the plant in service on January 1 of the current year by the replacement factor for the current year).

Notwithstanding the method of computing the imputed debt service, as hereinabove defined, the capital replacement component shall be omitted in computing the imputed debt service for the last current year (calendar year 2015) of the lease, and the actual amount of capital transferred to completed construction during the calendar year 2015, less Federal aid received during the calendar year 2015, shall be used in lieu thereof.

"The unamortized debt component." The product of: (a) the unamortized debt as of January 1 of the current year and (b) the amortization factor.

"The capital replacement component." The product of (a) the value of the plant in service on January 1 of the current year and (b) the replacement factor.

"Amortization factor." The appropriate annual factor to be applied to the unamortized debt as of the beginning of the current year listed in Table I under the rate of current interest established for that year.

"Replacement factor." The appropriate replacement factor to be applied to value of plant in service as of the beginning of the current year listed in Table II under the rate of current interest established for that year.

"Unamortized debt as of January 1 of the current year 1965." $307,436,695.

"Unamortized debt as of January 1 of each current year thereafter." The sum of:

(a) the difference between: (1) the unamortized debt as of January 1 of the calendar year immediately preceding the current year and (2) the amount constituting the difference between (aa) the imputed debt service for such preceding calendar year and (bb) the interest for such preceding calendar year (computed by multiplying the unamortized debt as of January 1 of the preceding calendar year by the current interest rate for such preceding calendar year); and

(b) the difference between the amount of capital transferred to completed construction in such preceding year and federal aid transferred to completed construction in such preceding year.

"Current interest rate." The product (rounded off to the nearest eighth of one percent) arrived at by multiplying the average of the weekly indices as reported in the "Daily Bond Buyer" under their "20 Bond Index" during the calendar year preceding the current year by the appropriate factor indicated below:

Rating of Port Authority Bonds (Moody's)	*Rating of Port Authority Bonds (Standard & Poor's)*	*Factor*
Aa	AA	1.09
A	A	1.14
Baa	BBB	1.21

The average of the weekly indices will be rounded off to the nearest .01. If the average before rounding happens to fall at the exact midpoint between two successive 1/100's, it shall be rounded down on the first such occurrence, then up and down alternately on successive occurrences. Similarly, should the product of the average index and the appropriate factor result in a number at the exact midpoint between two successive eighths of one percent, it shall be rounded down on the first such occurrence, then up and down alternately on successive occurrences.

"Rating of Port Authority bonds" shall be the lower rating of the municipal bond ratings supplied by "Moody's Investors Service Inc." or "Standard & Poor's Corp." of those Port Authority bond issues (other than Port Authority bonds guaranteed by any other government body) for which the Port Authority received and accepted bids during the calendar year preceding the current year. If the bond issues sold during that year do not all have the same rating, then the factor to be used shall be the average (rounded to the nearest .01) of the factors corresponding to the rating of said bond issues at the time of acceptance of bids, weighted in accordance with the principal amounts of said bond issues. In the event that there are no bond issues in the calendar year preceding the current year, then the rating of bond issues of the last previous calendar year prior thereto in which the Port Authority received and accepted bids on any bond issue shall be deemed the rating of the bond issues during the calendar year preceding the current year.

In the event that the "Daily Bond Buyer" or their "20 Bond Index" or "Moody's Investors Service, Inc." or "Standard and Poor's Corp." or the rating of Port Authority bonds by said Moody's Investors Service, Inc. or Standard and Poor's Corp. shall be discontinued during the term of this agreement, a comparable substitute for such discontinued element shall be mutually agreed upon in writing by the City and the Port Authority within thirty (30) days after such discontinuance. In the event that the parties shall fail to agree upon such a substitute within the time hereinabove specified, the question shall be submitted to three experts in this field recommended by the American Arbitration Association and selected as follows: each of the parties to this agreement, within thirty (30) days after the expiration of the period hereinabove specified for reaching agreement upon a substitute for such discontinued element, shall designate one such expert recommended by the American Arbitration Association and the two experts thus chosen shall, within fifteen (15) days after both have been designated, designate a third expert having the recommendation of such Association. The determination of a majority of said three experts shall be final and binding upon the parties hereto and the parties hereto agree to be bound by such determination provided that such determination shall be made in writing within forty-five (45) days next after the submission to them of the question, or on or before any later date to which the said experts, by any writing signed by a majority of them shall enlarge the time for making such determination.

"The value of the plant in service as of January 1 of the current year 1965." $414,067,129.

"The value of the plant in service as of January 1 of each current year after 1965." The sum of:

(a) the value of the plant in service on January 1 of the calendar year immediately preceding the current year; and

(b) the difference between the capital amount of transfers to completed construction in the year immediately preceding the current year and the capital expenditures related to the properties retired during such preceding year.

As used in this lease, the term "plant in service" shall not include automotive equipment or equipment ancillary thereto.

b. Section 1 of the Original Agreement is hereby further amended by striking out of the definition of "Bonds issued for municipal air terminal purposes" the following sentence:

"The proceeds of such bonds shall be used solely for such purposes."

2. TERM

a. The first paragraph of Section 3 of the Original Agreement is hereby amended to read as follows:

"The term for which the demised premises are leased shall commence on the 1st day of June, 1947, subject to the provisions hereinafter set forth in Section 12, and shall expire on the 31st day of December, 2015."

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b. The second paragraph of Section 3 of the Original Agreement is hereby amended by striking it out in its entirety and inserting in place thereof, the following:

"Notwithstanding any other provision of this Seventh Supplemental Agreement or of the Original Agreement, as amended, supplemented or modified, 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 lease term or sooner termination thereof (other than revenues accruing prior to the end of the lease term or sooner termination thereof), as security for the repayment of principal or interest, or of any part thereof, on any bonds of the Port Authority issued for municipal air terminal purposes or any other purposes, nor shall any such bonds of the Port Authority or any provision thereof affect in any manner whatsoever or grant any right whatsoever to or in the municipal air terminals or their operation, maintenance or revenues for or during any period after the end of the lease term or sooner termination thereof."

c. The third paragraph of Section 3 of the Original Agreement is hereby amended by striking out the following words:

"depreciation, obsolescence, ordinary wear and tear excepted,"

3. RENT

Section 4 of the Original Agreement is amended by striking that Section out in its entirety and by substituting therefor the following:

"RENTS

The annual rent which the Port Authority shall pay to the City for each current year from January 1, 1965 until the end of the term herein provided shall be as follows:

A. *Guaranteed Annual Rent*

The guaranteed annual rent for each such year shall be the amount of:
$2,037,000 for the years 1965 through 1984;
$3,094,000 for the years 1985 through 1997;
$3,500,000 for the years 1998 through 2015.

B. *Additional Payment*

The Port Authority shall pay to the City, as additional rent for each such year the amount, if any, by which the guaranteed annual rent for such year is exceeded by the percentage of annual net revenue for such year indicated on the schedule below:

1965 through 1974	50%
1975 through 1984	60%
1985 through 2015	75%

The guaranteed annual rent for each such current year as specified in Paragraph A above shall be due and payable to the City on or before January 31 of such current year. The additional payment, if any, which may be due for each such current year pursuant to the provisions of Paragraph B above, shall be due and payable to the City on or before March 31 of the calendar year following such current year.

On or before March 31 of each calendar year the Port Authority shall furnish to the City a statement of the annual net revenue of the municipal air terminals for the current year preceding such calendar year.

Such statement shall be a complete report of the following:

(a) An itemized statement of gross revenue by sources for such current year, together with a schedule of any items excludable under the terms of the lease.

(b) An itemized statement of operation and maintenance expenses for such current year listed by activity accounts.

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(c) An itemized statement of the imputed debt service for such current year which shall include:

1. A schedule of individual properties and costs thereof comprising plant placed in service and plant retired during the year immediately preceding such current year; and

2. A detailed computation of the unamortized debt component and the capital replacement component for such current year.

The guaranteed annual rent for the current year 1965 shall be paid upon the date of execution of this agreement. The additional payment for such year shall be due and payable on or before March 31, 1966. The additional payment for the current year 2015 shall be due and payable on or before March 31, 2016.

No breach of any covenant, term or condition in this agreement shall excuse the Port Authority from the prompt payment of the rent herein reserved provided, however, 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 taxes, assessments or governmental levies or imposts (except charges for water and for the use of the sewer system pursuant to Section 13 of the Original Agreement as herein amended and Section 14 of the Original Agreement) 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 sublessees or tenants for which the Port Authority, by agreement with such sublessees or tenants, assumes the obligation to pay) shall, as between the City and the Port Authority, be deemed payment *pro tanto* of the rent herein reserved, and the amount of such payments shall be treated as a cumulative credit against rent otherwise payable hereunder."

4. Repairs

a. Section 5 of the Original Agreement is amended by striking out the following words: ", ordinary wear and tear excepted"

b. Section 5 of the Original Agreement is further amended by adding the following sentence at the end thereof:

"In the event the premises or any building, structures or improvements thereon or any part thereof at the end of the lease term or sooner termination are in a state of disrepair resulting from the failure of the Port Authority to repair, maintain or paint said premises, building, structures or improvements during said term, then in that event the Port Authority shall be required to sufficiently repair, paint or place the premises in good order or condition as though all of such work had been properly done during such term."

5. Accounts

Section 8 of the Original Agreement is amended by striking that section out in its entirety and substituting therefor the following:

"The Port Authority shall keep, in a manner consistent with accepted accounting practice, complete records and accounts in regard to the operation, maintenance and construction or other capital development, and of all gross revenues and expenses, of the Municipal Air Terminals; and full and complete details of the costs of all properties transferred to and retired from plant in service and shall allow the City or any duly authorized representative of the City, at all reasonable times, to examine said records and accounts, also to examine all contracts and agreements relating to construction, maintenance and operation and all leases or agreements now or hereafter made with any and all tenants, occupants and users thereof, and such other documents as reasonably may be required by the City for the purposes of verifying, if it shall so desire, the statement or statements of annual net revenue herein required to be furnished by the Port Authority.

For this purpose 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, expense and imputed debt service which enter into the computation of rent under this lease.

All accounting records now separately maintained for the Municipal Air Terminals shall continue to be separately maintained and all Municipal Air Terminals records now incorporated with other Port Authority records shall, whenever feasible, be separately grouped and summarized within those Port Authority records and coded for ready identification.

All accounting records maintained by the Port Authority bearing on allocations and prorations of operation and maintenance expense to the Municipal Air Terminals shall be made available to the City or any duly authorized representative of the City."

6. Sewer and Other Rights Reserved to the City

Section 13 of the Original Agreement is amended by adding at the end of such Section the following paragraph:

"The Port Authority shall pay to the City the amount of all sewer rents and sewer surcharges prescribed by or pursuant to the provisions of Administrative Code §§ 683a(4)-9.0 and 687-1.0, for use of the sewer system by the demised premises.

7. Section 39 of the Original Agreement is hereby stricken out in its entirety.

8. This Seventh Supplemental Agreement shall be effective as of January 1, 1965.

9. The City agrees to waive and hereby does waive any claim which it may have against the Authority under Section 4 of the Original Agreement with respect to the period prior to December 31, 1964. It is further agreed that the payments heretofore made by the Port Authority to the City constitute full payment of the obligation of the Port Authority to the City under Section 4 of the Original Agreement for the period prior to December 31, 1964.

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 Mayor; 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, the day and year first above written.

Attest:

City Clerk

The City of New York

Mayor

Attest:

Assistant Secretary

The Port of New York Authority

Executive Director

Approved as to Form:

Acting Corporation Counsel

Approved as to Form:

General Attorney

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

On the 21st day of December, 1965, before me came Austin J. Tobin to me known, who, being by me duly sworn, did depose and say that he resides at 7 Ex. 1) York City, that he is the Executive Director of The Port of New York Authority, the corporation described in, and which executed the foregoing instrument; that he knows the seal of said corporation; that it was so affixed by order of the Commissioners of said corporation; and that he signed his name thereto by like order.

(SEAL)

Catherine A. Zaffarano

CATHERINE A. ZAFFARANO
Notary Public, State of New York
No. 41-4376392
Qualified in Queens County
Commission Expires March 30, 1967

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

On this 21st day of December, 1965 before me personally came HERMAN KATZ, with whom I am personally acquainted, and known to me to be the City Clerk of The City of New York, who being by me duly sworn, did depose and say that he resides at in the Borough of Manhattan, City of New York; that he is the City Clerk of The City of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporation seal; that it was so affixed as provided by law, and that he signed his name thereto as City Clerk by like authority, and further, that he knows and is acquainted with Robert F. Wagner, and knows him to be the person described in and who, as Mayor of The City of New York, executed the said instrument; that he saw him subscribe, execute and deliver the same, and that he acknowledged to him, the said HERMAN KATZ that he executed and delivered the same, and he, the said HERMAN KATZ thereupon subscribed his name thereto.

(SEAL)

Joseph A. Fanelli

JOSEPH A. FANELLI
Commissioner of Deeds
City of New York No. 3-200
Certificate filed in New York County
Commission Expires March 30, 1967

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TABLE I

INSTRUCTIONS: Determine the current interest rate established for the current year. "Leasehold Term Remaining" is the unexpired term of the lease from January 1 of the current year. The appropriate equal annual factor to be applied to the unamortized debt as of the beginning of that year is shown under the rate of current interest established for that year on the line corresponding to the "Leasehold Term Remaining."

TABLE I

Factors for Unamortized Debt Component of Imputed Debt Service

Leasehold Term Remaining	Amortization Factor Under "Current Interest" Rates of: 2½%	2¾%	3%	3¼%
51	.03491	.03580	.03670	.03761
50	.03526	.03614	.03704	.03795
49	.03562	.03651	.03740	.03830
48	.03601	.03688	.03777	.03867
47	.03641	.03728	.03816	.03906
46	.03683	.03770	.03857	.03946
45	.03727	.03813	.03901	.03989
44	.03773	.03859	.03946	.04034
43	.03822	.03907	.03994	.04081
42	.03873	.03958	.04044	.04131
41	.03927	.04012	.04097	.04184
40	.03984	.04066	.04153	.04239
39	.04044	.04127	.04212	.04298
38	.04107	.04190	.04275	.04360
37	.04174	.04257	.04341	.04426
36	.04245	.04328	.04411	.04495
35	.04321	.04403	.04486	.04569
34	.04401	.04482	.04565	.04648
33	.04486	.04567	.04649	.04732
32	.04577	.04658	.04739	.04822
31	.04674	.04754	.04835	.04917
30	.04778	.04858	.04938	.05020
29	.04889	.04969	.05049	.05130
28	.05009	.05088	.05168	.05248
27	.05138	.05216	.05296	.05376
26	.05277	.05355	.05434	.05514
25	.05428	.05505	.05584	.05663
24	.05591	.05669	.05747	.05826
23	.05770	.05847	.05924	.06003
22	.05965	.06041	.06119	.06196
21	.06179	.06255	.06332	.06409
20	.06415	.06491	.06567	.06644
19	.06676	.06752	.06828	.06904
18	.06967	.07042	.07118	.07194
17	.07293	.07368	.07443	.07519
16	.07660	.07735	.07810	.07885
15	.08077	.08151	.08226	.08301
14	.08554	.08628	.08702	.08777
13	.09105	.09179	.09253	.09328
12	.09749	.09823	.09897	.09971
11	.10511	.10584	.10659	.10733
10	.11426	.11500	.11574	.11648
9	.12546	.12620	.12694	.12769
8	.13947	.14021	.14096	.14171
7	.15750	.15825	.15900	.15975
6	.18155	.18231	.18307	.18383
5	.21525	.21602	.21680	.21758
4	.26582	.26662	.26742	.26822
3	.35014	.35098	.35183	.35268
2	.51883	.51977	.52072	.52166
1	1.02500	1.02625	1.02750	1.02875

TABLE I

(Continued)

Leasehold Term Remaining	3%	3¼%	3½%	3¾%	3¾%
51	.03853	.03947	.04041	.04136	.04232
50	.03887	.03979	.04073	.04168	.04263
49	.03921	.04014	.04107	.04201	.04296
48	.03958	.04050	.04142	.04236	.04331
47	.03996	.04087	.04180	.04273	.04367
46	.04036	.04127	.04219	.04312	.04405
45	.04079	.04169	.04260	.04352	.04445
44	.04123	.04213	.04304	.04395	.04488
43	.04170	.04259	.04349	.04441	.04533
42	.04219	.04308	.04398	.04488	.04580
41	.04271	.04360	.04449	.04539	.04630
40	.04326	.04414	.04503	.04592	.04683
39	.04384	.04472	.04560	.04649	.04739
38	.04446	.04533	.04620	.04709	.04798
37	.04511	.04597	.04685	.04773	.04861
36	.04580	.04666	.04753	.04840	.04928
35	.04654	.04739	.04825	.04912	.05000
34	.04732	.04817	.04903	.04989	.05076
33	.04816	.04900	.04985	.05071	.05157
32	.04905	.04988	.05073	.05158	.05244
31	.05000	.05083	.05167	.05252	.05337
30	.05102	.05185	.05268	.05352	.05437
29	.05211	.05294	.05377	.05460	.05545
28	.05329	.05411	.05494	.05577	.05660
27	.05456	.05538	.05620	.05702	.05785
26	.05594	.05675	.05756	.05838	.05921
25	.05743	.05823	.05904	.05985	.06067
24	.05905	.05985	.06065	.06146	.06227
23	.06081	.06161	.06241	.06321	.06402
22	.06275	.06354	.06433	.06513	.06593
21	.06487	.06566	.06644	.06724	.06804
20	.06722	.06800	.06878	.06957	.07036
19	.06981	.07059	.07137	.07215	.07294
18	.07271	.07348	.07425	.07503	.07582
17	.07595	.07672	.07749	.07826	.07904
16	.07961	.08037	.08114	.08191	.08268
15	.08377	.08453	.08529	.08606	.08683
14	.08853	.08928	.09004	.09080	.09157
13	.09403	.09478	.09554	.09630	.09706
12	.10046	.10121	.10197	.10272	.10348
11	.10808	.10883	.10958	.11033	.11109
10	.11723	.11798	.11873	.11949	.12024
9	.12843	.12918	.12994	.13069	.13145
8	.14246	.14321	.14396	.14472	.14548
7	.16051	.16126	.16202	.16278	.16354
6	.18460	.18536	.18613	.18690	.18767
5	.21835	.21913	.21992	.22070	.22148
4	.26903	.26983	.27064	.27144	.27225
3	.35353	.35438	.35523	.35608	.35693
2	.52261	.52356	.52450	.52545	.52640
1	1.03000	1.03125	1.03250	1.03375	1.03500

TABLE I

(Continued)

Leasehold Term Remaining	3¼%	3⅜%	3½%	4%
51	.04329	.04427	.04526	.04626
50	.04360	.04457	.04556	.04655
49	.04392	.04489	.04587	.04686
48	.04426	.04523	.04620	.04718
47	.04462	.04558	.04655	.04752
46	.04500	.04595	.04691	.04788
45	.04539	.04634	.04730	.04826
44	.04581	.04675	.04771	.04866
43	.04625	.04719	.04814	.04909
42	.04672	.04765	.04859	.04954
41	.04722	.04814	.04908	.05002
40	.04774	.04866	.04959	.05052
39	.04829	.04921	.05013	.05106
38	.04888	.04979	.05071	.05163
37	.04951	.05041	.05132	.05224
36	.05017	.05107	.05198	.05289
35	.05088	.05177	.05267	.05358
34	.05164	.05252	.05342	.05431
33	.05244	.05332	.05421	.05510
32	.05331	.05418	.05506	.05595
31	.05423	.05510	.05597	.05686
30	.05523	.05609	.05696	.05783
29	.05629	.05715	.05801	.05888
28	.05745	.05830	.05915	.06001
27	.05869	.05953	.06038	.06124
26	.06004	.06087	.06172	.06257
25	.06150	.06233	.06317	.06401
24	.06309	.06392	.06475	.06559
23	.06483	.06565	.06648	.06731
22	.06674	.06756	.06837	.06920
21	.06884	.06965	.07046	.07128
20	.07116	.07196	.07277	.07358
19	.07373	.07453	.07533	.07614
18	.07660	.07740	.07819	.07899
17	.07983	.08061	.08140	.08220
16	.08346	.08424	.08503	.08582
15	.08760	.08838	.08916	.08994
14	.09234	.09311	.09389	.09467
13	.09783	.09860	.09937	.10014
12	.10425	.10501	.10578	.10655
11	.11185	.11262	.11338	.11415
10	.12100	.12176	.12252	.12329
9	.13220	.13297	.13373	.13449
8	.14624	.14700	.14776	.14853
7	.16431	.16507	.16584	.16661
6	.18844	.18921	.18999	.19076
5	.22227	.22305	.22384	.22463
4	.27306	.27387	.27468	.27549
3	.35779	.35864	.35949	.36035
2	.52735	.52830	.52925	.53020
1	1.03625	1.03750	1.03875	1.04000

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TABLE I

(Continued)

Leasehold Term Remaining	4¼%	4⅛%	4⅛%	4⅛%
51	.04726	.04828	.04930	.05033
50	.04735	.04836	.04958	.05060
49	.04785	.04886	.04987	.05089
48	.04817	.04917	.05017	.05119
47	.04851	.04950	.05050	.05151
46	.04886	.04985	.05084	.05184
45	.04924	.05022	.05121	.05220
44	.04963	.05061	.05159	.05258
43	.05005	.05102	.05200	.05298
42	.05050	.05146	.05243	.05341
41	.05097	.05192	.05289	.05386
40	.05147	.05242	.05338	.05434
39	.05200	.05294	.05390	.05486
38	.05256	.05350	.05445	.05540
37	.05316	.05410	.05504	.05598
36	.05381	.05473	.05567	.05661
35	.05449	.05541	.05634	.05727
34	.05522	.05613	.05705	.05798
33	.05600	.05691	.05782	.05874
32	.05684	.05774	.05865	.05956
31	.05774	.05864	.05954	.06044
30	.05871	.05960	.06049	.06139
29	.05975	.06063	.06152	.06241
28	.06088	.06175	.06263	.06352
27	.06210	.06297	.06384	.06472
26	.06342	.06428	.06515	.06602
25	.06486	.06571	.06657	.06744
24	.06643	.06728	.06813	.06899
23	.06814	.06899	.06983	.07068
22	.07003	.07086	.07170	.07255
21	.07210	.07293	.07376	.07460
20	.07440	.07522	.07605	.07688
19	.07695	.07776	.07858	.07941
18	.07980	.08061	.08142	.08224
17	.08300	.08380	.08461	.08542
16	.08661	.08741	.08821	.08902
15	.09073	.09152	.09232	.09311
14	.09545	.09624	.09703	.09782
13	.10092	.10170	.10249	.10328
12	.10733	.10810	.10888	.10967
11	.11492	.11569	.11647	.11725
10	.12406	.12483	.12560	.12638
9	.13526	.13603	.13680	.13757
8	.14930	.15006	.15084	.15161
7	.16738	.16815	.16893	.16970
6	.19154	.19232	.19310	.19388
5	.22542	.22621	.22700	.22779
4	.27630	.27712	.27793	.27874
3	.36120	.36206	.36292	.36377
2	.53115	.53210	.53305	.53400
1	1.04125	1.04250	1.04375	1.04500

If the current interest rate established for a current year is outside of the 2½-4½% range, then the equal annual factor for such year ($\frac{1}{a\,\overline{N}|}$) can be computed by the following formula:

$$\frac{1}{a\,\overline{N}|} = \frac{i}{1 - v^N}$$; where

N = Leasehold Term Remaining from January 1 of the current year;

i = Current interest rate established for that year; and

$$v = \frac{1}{1 + i}$$

The equal annual factors appearing in the foregoing table were computed by the application of this formula. These factors shall be subject to verification each year.

TABLE II

INSTRUCTIONS: Determine the current interest rate established for the current year. "Leasehold Term Remaining" is the unexpired term of the lease from January 1 of the current year. The appropriate replacement factor to be applied to the value of the plant in service as of the beginning of that year is shown under the rate of current interest established for that year on the line corresponding to the "Leasehold Term Remaining."

TABLE II

Factors for Capital Replacement Component of Imputed Debt Service

Leasehold Term Remaining	Replacement Rate	Replacement Factor Under "Current Interest" Rates of: 2½%	2¾%	2¼%
51	.00572	.03361	.03350	.03339
50	.00756	.03458	.03450	.03441
49	.00963	.03554	.03547	.03541
48	.01191	.03646	.03642	.03637
47	.01437	.03735	.03732	.03729
46	.01697	.03818	.03817	.03816
45	.01970	.03895	.03896	.03897
44	.02250	.03966	.03968	.03971
43	.02534	.04030	.04033	.04037
42	.02817	.04085	.04090	.04095
41	.03094	.04132	.04138	.04144
40	.03361	.04170	.04177	.04184
39	.03613	.04200	.04207	.04215
38	.03846	.04220	.04228	.04236
37	.04055	.04232	.04240	.04249
36	.04238	.04235	.04244	.04252
35	.04390	.04230	.04239	.04248
34	.04511	.04218	.04227	.04236
33	.04599	.04200	.04209	.04217
32	.04654	.04177	.04185	.04193
31	.04677	.04149	.04157	.04165
30	.04670	.04118	.04125	.04133
29	.04636	.04085	.04092	.04099
28	.04578	.04052	.04058	.04065
27	.04500	.04019	.04025	.04031
26	.04408	.03988	.03993	.03999
25	.04305	.03959	.03964	.03969
24	.04198	.03934	.03938	.03943
23	.04091	.03912	.03917	.03921
22	.03988	.03895	.03900	.03904
21	.03894	.03884	.03888	.03892
20	.03811	.03877	.03881	.03885
19	.03742	.03875	.03878	.03882
18	.03688	.03877	.03881	.03885
17	.03651	.03884	.03888	.03892
16	.03629	.03895	.03899	.03903
15	.03623	.03909	.03913	.03917
14	.03630	.03926	.03930	.03934
13	.03649	.03945	.03949	.03953
12	.03677	.03965	.03969	.03974
11	.03713	.03986	.03990	.03995
10	.03753	.04006	.04011	.04015
9	.03795	.04026	.04031	.04036
8	.03838	.04045	.04050	.04055
7	.03879	.04063	.04067	.04072
6	.03917	.04078	.04083	.04088
5	.03950	.04092	.04097	.04102
4	.03977	.04104	.04109	.04114
3	.03999	.04113	.04118	.04123
2	.04015	.04120	.04125	.04130
1	.04025	.04125	.04130	.04135

TABLE II

(Continued)

Leasehold Term Remaining	2¼%	2½%	2¾%	3%	3¼%
51	.03328	.03317	.03306	.03295	.03283
50	.03432	.03423	.03414	.03405	.03395
49	.03534	.03527	.03520	.03512	.03505
48	.03632	.03627	.03622	.03617	.03611
47	.03726	.03723	.03720	.03717	.03713
46	.03815	.03814	.03812	.03811	.03809
45	.03897	.03898	.03898	.03898	.03899
44	.03973	.03975	.03977	.03979	.03981
43	.04040	.04044	.04047	.04051	.04054
42	.04100	.04104	.04109	.04114	.04118
41	.04150	.04156	.04162	.04167	.04173
40	.04191	.04198	.04204	.04211	.04218
39	.04222	.04230	.04237	.04245	.04252
38	.04244	.04253	.04261	.04269	.04277
37	.04257	.04266	.04274	.04283	.04291
36	.04261	.04270	.04278	.04287	.04296
35	.04257	.04265	.04274	.04283	.04292
34	.04244	.04253	.04262	.04271	.04279
33	.04226	.04234	.04243	.04251	.04260
32	.04201	.04210	.04218	.04226	.04235
31	.04172	.04180	.04188	.04196	.04204
30	.04140	.04148	.04155	.04163	.04170
29	.04106	.04113	.04120	.04127	.04135
28	.04072	.04078	.04085	.04091	.04098
27	.04037	.04043	.04049	.04056	.04062
26	.04005	.04010	.04016	.04022	.04027
25	.03975	.03980	.03985	.03990	.03996
24	.03948	.03953	.03958	.03963	.03968
23	.03926	.03930	.03935	.03940	.03944
22	.03908	.03913	.03917	.03921	.03926
21	.03896	.03900	.03904	.03908	.03912
20	.03888	.03892	.03896	.03900	.03904
19	.03886	.03890	.03894	.03898	.03902
18	.03889	.03893	.03897	.03900	.03904
17	.03896	.03900	.03904	.03908	.03911
16	.03907	.03911	.03915	.03919	.03923
15	.03921	.03925	.03929	.03933	.03937
14	.03939	.03943	.03947	.03951	.03955
13	.03958	.03962	.03966	.03970	.03975
12	.03978	.03982	.03987	.03991	.03995
11	.03999	.04003	.04008	.04012	.04017
10	.04020	.04024	.04029	.04034	.04038
9	.04040	.04045	.04050	.04054	.04059
8	.04059	.04064	.04069	.04074	.04078
7	.04077	.04082	.04087	.04092	.04096
6	.04093	.04098	.04103	.04108	.04113
5	.04107	.04112	.04117	.04122	.04127
4	.04119	.04124	.04129	.04134	.04138
3	.04128	.04133	.04138	.04143	.04148
2	.04135	.04140	.04145	.04150	.04155
1	.04140	.04145	.04150	.04155	.04160

TABLE II

(Continued)

Leasehold Term Remaining	3½%	3¼%	3¼%	3⅛%
51	.03272	.03260	.03248	.03237
50	.03386	.03376	.03367	.03357
49	.03498	.03490	.03483	.03475
48	.03606	.03601	.03595	.03589
47	.03710	.03706	.03703	.03699
46	.03808	.03806	.03804	.03802
45	.03899	.03899	.03899	.03899
44	.03982	.03984	.03986	.03987
43	.04057	.04060	.04064	.04067
42	.04123	.04127	.04132	.04136
41	.04179	.04185	.04190	.04196
40	.04225	.04231	.04238	.04244
39	.04260	.04267	.04275	.04282
38	.04285	.04293	.04301	.04309
37	.04300	.04308	.04317	.04325
36	.04305	.04313	.04322	.04331
35	.04301	.04309	.04318	.04327
34	.04288	.04297	.04306	.04315
33	.04269	.04277	.04286	.04295
32	.04243	.04251	.04260	.04268
31	.04212	.04220	.04228	.04236
30	.04178	.04186	.04193	.04201
29	.04142	.04149	.04156	.04163
28	.04105	.04111	.04118	.04125
27	.04068	.04074	.04080	.04086
26	.04033	.04039	.04044	.04050
25	.04001	.04006	.04012	.04017
24	.03973	.03977	.03982	.03987
23	.03949	.03953	.03958	.03962
22	.03930	.03934	.03939	.03943
21	.03916	.03920	.03925	.03929
20	.03908	.03912	.03916	.03920
19	.03906	.03910	.03913	.03917
18	.03908	.03912	.03916	.03920
17	.03915	.03919	.03923	.03927
16	.03927	.03931	.03935	.03938
15	.03941	.03945	.03949	.03953
14	.03959	.03963	.03967	.03971
13	.03979	.03983	.03987	.03991
12	.04000	.04004	.04008	.04013
11	.04021	.04026	.04030	.04035
10	.04043	.04047	.04052	.04056
9	.04064	.04068	.04073	.04077
8	.04083	.04088	.04093	.04097
7	.04101	.04106	.04111	.04116
6	.04117	.04122	.04127	.04132
5	.04132	.04137	.04141	.04146
4	.04143	.04148	.04153	.04158
3	.04153	.04158	.04163	.04168
2	.04160	.04165	.04170	.04175
1	.04166	.04171	.04176	.04181

TABLE II

(Continued)

Leasehold Term Remaining	4%	4¼%	4½%	4¾%	5%
51	.03225	.03213	.03201	.03189	.03177
50	.03347	.03337	.03328	.03317	.03307
49	.03467	.03459	.03452	.03444	.03436
48	.03584	.03578	.03572	.03566	.03560
47	.03695	.03691	.03687	.03683	.03679
46	.03800	.03798	.03796	.03794	.03792
45	.03899	.03898	.03898	.03898	.03897
44	.03989	.03990	.03991	.03993	.03994
43	.04070	.04073	.04075	.04078	.04081
42	.04141	.04145	.04149	.04153	.04158
41	.04201	.04207	.04212	.04218	.04223
40	.04251	.04257	.04264	.04270	.04277
39	.04289	.04297	.04304	.04311	.04319
38	.04317	.04325	.04333	.04341	.04349
37	.04334	.04342	.04350	.04359	.04367
36	.04340	.04348	.04357	.04366	.04375
35	.04336	.04345	.04354	.04363	.04371
34	.04324	.04332	.04341	.04350	.04359
33	.04303	.04312	.04321	.04329	.04338
32	.04276	.04285	.04293	.04302	.04310
31	.04244	.04252	.04261	.04269	.04277
30	.04209	.04216	.04224	.04232	.04239
29	.04170	.04178	.04185	.04192	.04199
28	.04131	.04138	.04145	.04151	.04158
27	.04093	.04099	.04105	.04111	.04118
26	.04056	.04062	.04068	.04073	.04079
25	.04022	.04028	.04033	.04038	.04044
24	.03992	.03997	.04002	.04007	.04012
23	.03967	.03972	.03976	.03981	.03986
22	.03947	.03952	.03956	.03960	.03965
21	.03933	.03937	.03941	.03945	.03950
20	.03924	.03928	.03932	.03936	.03940
19	.03921	.03925	.03929	.03933	.03937
18	.03924	.03927	.03931	.03935	.03939
17	.03931	.03935	.03939	.03942	.03946
16	.03942	.03946	.03950	.03954	.03958
15	.03957	.03961	.03965	.03969	.03973
14	.03975	.03980	.03984	.03988	.03992
13	.03996	.04000	.04004	.04008	.04012
12	.04017	.04021	.04026	.04030	.04034
11	.04039	.04043	.04048	.04052	.04057
10	.04061	.04065	.04070	.04075	.04079
9	.04082	.04087	.04091	.04096	.04101
8	.04102	.04107	.04112	.04116	.04121
7	.04121	.04125	.04130	.04135	.04140
6	.04137	.04142	.04147	.04152	.04157
5	.04151	.04156	.04161	.04166	.04171
4	.04163	.04168	.04173	.04178	.04183
3	.04173	.04178	.04183	.04188	.04193
2	.04180	.04185	.04190	.04196	.04201
1	.04186	.04191	.04196	.04201	.04206

If the current interest rate established for a current year is outside of the 2½-4½% range, then the replacement factor for such year (Fy) can be computed by the following formula:

$$F_y = \left[\sum_{j=y}^{j=M} (R_j)(v)^{(j-y)}\right]\left[\frac{i}{1-v^{(M-y+1)}}\right]$$; where

y = Current year of lease (For example, January 1, 1965 through December 31, 1965 = 1, etc.);

i = Current interest rate established for that year;

Rj = Replacement rate for that year (The replacement rate for a current year is the replacement rate shown alongside the "Leasehold Term Remaining" figure measured from January 1 of any such year. For example, the replacement rate for 1965 = .00572);

M = 51; and

$$v = \frac{1}{1+i}$$

The replacement factors appearing in the foregoing table were computed by the application of this formula. These factors shall be subject to verification each year.

CITY OF NEW YORK
BOARD OF ESTIMATE
BUREAU OF SECRETARY
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Reg. No. 4067 Vol. 141
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BOARD OF ESTIMATE
BUREAU OF SECRETARY
MAR 13 1969
REFERRED CALENDAR
Reg. No. 4535 Vol. 141

THE CITY OF NEW YORK

and

THE PORT OF NEW YORK AUTHORITY

REEL 339 PAGE 44

EIGHTH SUPPLEMENTAL AGREEMENT

with respect to

MUNICIPAL AIR TERMINALS

Dated: December 12, 1968

AGREEMENT (hereinafter referred to as "Eighth Supplemental Agreement") made as of this 12th day of December, 1968, by and between THE CITY OF NEW YORK, a municipal corporation of the Borough of Manhattan, City of New York (hereinafter referred to as the "City") and THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, with its office at 111 Eighth Avenue, Borough of Manhattan, City of New York (hereinafter referred to as the "Port Authority"),

REEL 339 PAGE 45

WITNESSETH, That:

WHEREAS, the parties hereto under date of April 17, 1947, have duly entered into an Agreement with Respect to Municipal Air Terminals (hereinafter referred to as "Original Agreement"), and

WHEREAS, the said parties have duly amended, supplemented and modified the said Original Agreement by several Agreements duly entered into as of May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1958, October 3, 1960, August 24, 1965 and December 21, 1965, respectively, and

WHEREAS, it is necessary and desirable that certain of the terms, conditions and provisions of said Original Agreement should be further modified, amended and supplemented,

NOW, THEREFORE, for and in consideration of the agreements and covenants herein contained, the City and the Port Authority hereby mutually undertake, promise and agree,

L. 5402 P. 319

926 PT 1 200 + 190 PT & PKWAY

14260 PT 1

1054 45

13990 1

16000 1

16017 1

769 PT 100

225

each for itself and its successors and assigns that said Original Agreement shall be and it is hereby further supplemented and amended as follows:

I. SUBSTITUTED SCHEDULE A

The schedule marked "Substituted Schedule A" annexed to the Second Supplemental Agreement and amended and supplemented by the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement is hereby further amended and supplemented by adding as Items 15, 16 and 17 thereof, the "Supplement to Substituted Schedule A" annexed hereto. Whenever in the Original Agreement reference is made to Schedule A, such reference shall be construed to refer to said Substituted Schedule A as substituted by the Second Supplemental Agreement, amended and supplemented by the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement and as amended and supplemented hereby.

II. SURRENDER OF PORTION OF DEMISED PREMISES - LA GUARDIA AIRPORT

A. ADDITIONAL PROPERTY ACQUIRED

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises described in Item 15 of the "Supplement to Substituted Schedule A" attached hereto, and all the estate, right, title, interest,

term of years, property, claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the intent and purpose that the said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the Original Agreement as amended, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, upon the conditions following, to wit: during the term for which the demised premises are leased,

REEL 339 PAGE 47

1. the Port Authority and the Federal Aviation Administration shall have the right, without cost or expense to the City, to install, maintain, operate, relocate or replace in, under and upon the premises herein surrendered, including any city streets which may be within the boundaries thereof, such approach lighting systems and other aids to avigation and facilities incidental thereto as shall be necessary or desirable in the opinion of the Port Authority or of the Federal Aviation Administration for the safe and efficient operation of La Guardia Airport, at locations therein which the Port Authority shall deem appropriate therefor, and the Port Authority and the Federal Aviation Administration, its and their duly designated employees, contractors and agents shall have the right at all times to enter upon the said premises to inspect the condition thereof and to enter thereon with men, equipment, trucks and vehicles in order to effect the installation, repair, replacement, expansion and relocation of such approach lighting systems, other aids to avigatio

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and facilities incidental thereto; REEL 339 PAGE 48

2. the City shall use the premises herein surrendered for park purposes and for no other purpose whatsoever; the City shall not develop or use the premises herein surrendered nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and efficient operation and development of La Guardia Airport or the safe and unrestricted passage of aircraft in and over the same; the City shall abate any smoke or vapor, at the request of the Port Authority; the City shall not erect, install or maintain any structure, building, tower, pole, wire or other object the construction, maintenance or operation of which would constitute a hazard to avigation in the opinion of the Port Authority;

3. the City shall take all reasonably practicable precautions to prevent its agents, employees, licensees, contractors and invitees from intruding upon, interfereing with or damaging any property upon the said premises installed, operated or maintained by or on behalf of the Port Authority or the Federal Aviation Administration; and

4. the City shall not place fill in or upon the premises surrendered by Section II-A of this Eighth Supplemental Agreement or place any structures or buildings thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, provided, that such approval shall not be withheld unreasonably.

B. DITMARS BOULEVARD RELOCATED

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises hereinafter more fully bounded and described and all the estate, right, title, interest, terms of years, property claim and demand whatsoever of the Port Authority of, in, to and out of the same, to the extent and purpose that the said term in said portion of the demised premises may be wholly merged, distinguished, determined and excluded from the Original Agreement as amended, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever, provided, that during the term for which the demised premises are leased, said premises herein surrendered shall be held by the City for street purposes and for no other purpose or purposes whatsoever, and provided further that the Port Authority shall have the right to the maintenance and use therein and thereunder of utility facilities heretofore installed by the Port Authority:

> All that certain plot, piece or parcel of land situate, lying and being in the County of Queens, City and State of New York, more fully bounded and described as follows:
>
> Beginning at a point which is the intersection of the easterly line of relocated Ditmars Boulevard (100 feet wide) with the northerly line of Grand Central Parkway said point of beginning having the coordinate values of South 31551.943 and East 24690.651 and running thence (1) Westwardly along said northerly line of Grand Central Parkway, curving to the right along the arc of a circle, the radius of which is 6257.00 feet, a distance

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of 100.49 feet to the westerly line of relocated Ditmars Boulevard (100 feet wide); thence (2) North 41°-50'-57" West along said westerly line of relocated Ditmars Boulevard, 466.83 feet to a point of curvature; thence (3) Northwestwardly along said westerly line of relocated Ditmars Boulevard, curving to the left along the arc of a circle, the radius of which is 135.00 feet a distance of 105.53 feet to a point in the northerly prolongation of said 81st Street; thence (4) North 36°-54'-45" West along said northerly prolongation of 81st Street, 9.36 feet to a point in the former westerly line of Ditmars Boulevard; thence (5) Southeastwardly along said former westerly line of Ditmars Boulevard, curving to the right along the arc of a circle, the radius of which is 871.48 feet, a distance of 162.09 feet to a point in the easterly line of relocated Ditmars Boulevard, thence (6) South 41°-50'-57" East, along said easterly line of relocated Ditmars Boulevard, 477.38 feet to the point and place of beginning. REEL 339 PAGE 50

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.

C. RIKERS ISLAND BRIDGE

The Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portion of the demised premises hereinafter described and of the estate, right, title, interest, term of years, property claim and demand whatsoever of the Port Authority of, in, to and out of the same to the intent and purpose that said term in said portion of the premises herein surrendered may be wholly merged, extinguished, determined and excluded from the Original Agreement as amended, to have and to hold said premises herein surrendered unto the City,

its successors and assigns forever, provided that until the expiration or sooner termination of said Original Agreement, as amended, the premises herein surrendered shall be held by the City for the maintenance and operation of that portion of the Rikers Island Bridge approach structure presently constructed within the demised premises and for no other purpose or purposes whatsoever.

The premises herein surrendered consist of all that certain plot, piece or parcel of land situate and being in the County of Queens, City and State of New York, 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.

RESERVING to the Port Authority, however, 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 at La Guardia Airport 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

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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 Public Works 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 opinion of the Port Authority would constitute a hazard to avigation; (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 used in connection with the operation or development of La Guardia Airport; and (e) the City, for itself, its agents, contractors, consultants, employees or others acting on its behalf but without creating any rights in third parties in the nature of third-party contract beneficiary rights, shall indemnify and save the Port Authority harmless from any claims, causes of action or judgments, by reason of any loss, damages or personal injury sustained by any person or persons including death, as well as for any claims for damages to property as may arise or as may be alleged to arise from the construction, maintenance, operation, control or occupancy in or upon the said premises by the City including claims, suits and demands based on the alleged negligence in connection therewith of the Port Authority, its Commissioners, officers, agents or employees.

REEL 339 PAGE 52

III. LEASE OF ADDITIONAL DEMISED PREMISES - LA GUARDIA AIRPORT

The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City for air terminal purposes and for purposes incidental thereto the additional lands hereinafter described to have and to hold unto the Port Authority until the expiration or sooner termination of the Original Agreement as amended, subject to all the terms, covenants and conditions set forth therein and any special terms, covenants and conditions hereinafter set forth with respect to any particular parcel;

A. PARKING LOT NO. 5

All that certain plot, piece or parcel of land situate, lying and being in the County of Queens, City and State of New York, more particularly bounded and described as follows:

Beginning at the southeasterly corner of lands demised to The Port of New York Authority by The City of New York, by agreement entitled "Agreement with Respect to Municipal Air Terminals" dated April 17, 1947, recorded in the Office of the New York City Register, Queens County on May 22, 1947 in Liber 5402, Page 319, etc. of conveyances as amended, said point having the coordinate values of South 28137.071 and East 30055.609 and running thence (1) North 19°-13'-14" East along the easterly boundary line of said demised lands, 160.076 feet to a point the coordinates of which are South 27985.918, East 30108.307; thence (2) North 65°-58'-56" West, along said boundary line, 167.95 feet to a point the coordinates of which are South 27917.56, East 29954.90; thence (3) North 53°-05'-15" East, along said boundary line, 1732.55 feet to a point the coordinates of which are South 26876.993, East 31340.163; thence (4) South 11°-16'-29.13" West, 1658.888 feet to a point the coordinates of which

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are South 28503.866, East 31015.827; thence (5) North 68°-45'-22" West, 685.000 feet to a point of curvature the coordinates of which are South 28255.664, East 30377.375; thence (6) Westwardly curving to the left along the arc of a circle, the radius of which is 9711.30 feet, a distance of 342.943 feet to the point and place of beginning.

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.

RESERVING to the City and to the United States Army Corps of Engineers a right of escorted access at all times by the Port Authority for vehicles and pedestrians through the aforesaid described lands to uplands now owned by the City and the United States Government abutting and lying and being situate southeast of the Airport.

SUBJECT to the following special terms, covenants and conditions:

1. If within six (6) months from the commencement of the letting hereunder the Department of Parks requests the Port Authority in writing to construct facilities to be devoted to park purposes at a location and upon plans and specifications to be approved by the Port Authority, the Port Authority shall proceed promptly to arrange for such construction; and the Port Authority shall assume the cost of construction up to but not exceeding Three Hundred Fifty Thousand Dollars ($350,000).

2. In the event no request to construct park facilities is received by the Port Authority from the Department of Parks within the time provided for in 1. above or the total cost of the construction so requested is less than Three Hundred Fifty Thousand Dollars ($350,000) the Port Authority shall pay either the difference between Three Hundred Fifty Thousand Dollars ($350,000) and the cost of the construction requested into the general fund of the City or the total amount of Three Hundred Fifty Thousand Dollars ($350,000) whichever is applicable.

3. The consents of the Port Authority herewith granted to the sale by the City at public auction of Parcel 6 and Parcel 8 described under Item 13 of said "Substituted Schedule A" heretofore surrendered by the Port Authority to the City for park purposes, as contained in Paragraph III of the agreement between the City and the Port Authority dated November 6, 1958 constituting the "Fourth Supplemental Agreement with Respect to Municipal Air Terminals", provided that:

(a) Said sale be made subject to covenants running with the land containing (i) the applicable airport protective provisions set forth in said Fourth Supplemental Agreement and (ii) a proviso that the successful purchaser at said public auction shall have no claim against the City, the Port Authority or the United States Government arising out of the operation of La Guardia Airport.

REEL 3550 PAGE 55

(b) Out of the proceeds of each sale the City before depositing such proceeds into its general fund shall pay to the Port Authority the following: REEL 339 PAGE 56

(i) For disposition as directed by the Federal Aviation Agency, a sum equal to that Agency's share of the cost of acquisition paid by it for the parcel sold and

(ii) The difference, if any, between the Federal Aviation Agency's share as aforesaid and the total purchase price paid by the Port Authority for the acquisition of the parcel sold.

4. As between the City and the Port Authority, but without creating any rights in third persons, the Port Authority does hereby assume all responsibility for injuries to persons and damage to private and/or City property caused by its operations within the aforesaid described property and shall and does save and hold harmless the City and the Department of Parks from all claims and suits which may arise therefrom.

B. EXISTING PILE SUPPORTED EXTENSIONS TO RUNWAY 4-22 AND RUNWAY 13-31

All that certain plot, piece or parcel of land now or formerly under the waters of Flushing Bay and the East River, Boroughs and Counties of Queens and Bronx, respectively, City and State of New York, more particularly bounded and

described in the Grant Agreement from the People of the State of New York to The Port of New York Authority dated March 18, 1968 and recorded in the Department of State in Vol. 17 of Miscellaneous Deeds and Title Papers at page 331. REEL 339 PAGE 57

The term of this letting shall be from the date hereof until the expiration or sooner termination of the Original Agreement as amended or the aforesaid Grant Agreement, whichever is earlier, and subject to the covenants, conditions and restrictions set forth in said Grant Agreement.

D. BED OF DITMARS BOULEVARD (FORMER LOCATION)

All that certain plot, piece or parcel of land situate, lying and being in the County of Queens, City and State of New York, more particularly bounded and described as follows:

Beginning at a point which is the intersection of the former easterly line of Ditmars Boulevard (100 feet wide) with the northerly line of Grand Central Parkway said point of beginning having the coordinate values of South 31179.854 and East 25000.683 and running thence (1) Westwardly along said northerly line of Grand Central Parkway, curving to the right along the arc of a circle, the radius of which is 6257.00 feet, a distance of 118.92 feet to the former westerly line of Ditmars Boulevard thence (2) Northwardly along said former westerly line of Ditmars Boulevard, curving to the right along the arc of a circle, the radius of which is 1469.227 feet, a distance of 239.73 feet to a point of reverse curvature; thence (3) Northwardly, along said former westerly line of Ditmars Boulevard, curving to the left along the arc of a circle, the radius of which is 871.48 feet, a distance of 323.57 feet to a point in the easterly line of relocated Ditmars Boulevard; thence (4) North 41°-50'-57" West, along said easterly line of relocated Ditmars Boulevard; 27.65 feet to a point of curvature; thence (5) Northwardly, along said easterly line of relocated Ditmars Boulevard, curving to the left along the arc of a circle, the radius of which is 165.00 feet, a distance of 154.85 feet to a point in the former easterly line of Ditmars Boulevard; thence (6) Southwardly along said former easterly line of Ditmars Boulevard, curving to the right along the

arc of a circle, the radius of which is 971.483 feet, a distance of 504.13 feet to a point of reverse curvature; thence (7) Southwardly along said former easterly line of Ditmars Boulevard, curving to the left along the arc of a circle, the radius of which is 1369.227 feet, a distance of 285.54 feet to the point and place of beginning.

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.

IV. LEASE OF ADDITIONAL DEMISED PREMISES - J.F. KENNEDY INTERNATIONAL AIRPORT - EXISTING RUNWAY 4L-22R

The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City for air terminal purposes and for purposes incidental thereto the additional lands hereinafter described as are owned by the City, to have and to hold, unto the Port Authority until the expiration or sooner termination of the Original Agreement as amended, subject to all the terms, covenants and conditions set forth therein:

All that certain plot, piece or parcel of land situate, lying and being in the County of Queens, City and State of New York, now or formerly under the waters of Jamaica Bay more particularly bounded and described as follows:

Beginning at a point which is the intersection of the U.S. Pierhead and Bulkhead Line with the center line of Runway 4L-22R at John F. Kennedy International Airport, the coordinates of said point being South 61420.708, East 75234.177, and running thence (1) South 87°-43'-49.2" East along said U.S. Pierhead and Bulkhead Line, 250.013 feet to appoint the coordhinates of which are South 61430.609, East 75483.994; thence (2) South 1°-39'-00" West, 2784.297 feet to a point the coordinates of which are South 64213.751, East 75403.823; thence (3) North 88°-21'-00" West, 1037.500 feet to a point the coordinates of which are South 64183.877 East 74366.753; thence (4) North 1°-39'-00" East, 721.000 feet to a point the coordinates of which are South 63463.176, East 74387.513; thence (5) North 46°-21'-00" East, 337.649 feet to a point the coordinates of which are South 63230.114 East 74631.826; thence (6) North 1°-39'-00" East,

1831.949 feet to a point in said U.S. Pierhead and Bulkhead Line the coordinates of which are South 61398.925, East 74684.575; thence (7) South 87°-43'-49.2" East, along said U.S. Pierhead and Bulkhead Line, 550.033 feet to the point and place of beginning. The area whereof is 2,430.636 square feet or 55.800 acres.

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.

REEL 339 PAGE 59

In the event that it should be necessary for an application to be made to the State of New York to remove any cloud upon the title of the City with respect to the said premises, the City shall cooperate with the Port Authority with respect to any and all obligations, measures or other action appropriate for the effectuation of such purposes all at no expense to the City.

V. RENT

There shall be no reduction in rent or the Port Authority's obligations under the agreement with respect to the Municipal Air Terminals as amended and supplemented by reason of the release or surrender of any of the premises herein provided for.

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 Mayor; and the Port Authority has caused its corporate seal to be hereunto affixed and duly

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attested and this Agreement to be signed by its Executive Director, the day and year first above written.

REEL 339 PAGE 60

THE CITY OF NEW YORK

Attest:

City Clerk

Deputy Mayor

THE PORT OF NEW YORK AUTHORITY

Attest:

Assistant Secretary

Executive Director

Approved as to form

Acting Corporation Counsel

Approved as to form

Assistant General Counsel

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

REEL 339 PAGE 61

On the 24th day of March, 1959, before me personally came HERMAN KATZ, with whom I am personally acquainted, and known to me to be the City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn did depose and say that he resides at [illegible] Street, Borough of Manhattan, City of New York; that he is the City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Estimate, and that he signed his name thereto as City Clerk by like authority; and further that he knows and is acquainted with ~~JOHN V. LINDSAY~~ Robert W. Sweet and knows him to be the person described in and who as Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw him subscribe and execute the same, and that he acknowledged to him, the said HERMAN KATZ, that he executed the same, and he, the said HERMAN KATZ thereupon subscribed his name thereto.

Deputy

Tillie Zmurko.

TILLIE ZMURKO
Commissioner of Deeds, City of New York
No. 3-611
Certificate filed in New York County
Commission Expires October 24, 1959

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

REEL 339 PAGE 62

On this 12th day of December, 1968, before me personally came and appeared AUSTIN J. TOBIN, to me known, who being by me duly sworn, did depose and say that he resides at - Ex. 1 , New York, New York; that he is the Executive Director of THE PORT OF NEW YORK AUTHORITY, a body corporate and politic created by Compact between the States of New York and New Jersey, with the consent of Congress, described in and which executed the foregoing instrument; that he knows the seal of THE PORT OF NEW YORK AUTHORITY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT OF NEW YORK AUTHORITY and that he signed his name thereto by like order.

Albert J. Buckley

ALBERT J. BUCKLEY
NOTARY PUBLIC, State of New York
No. 60-0470050
Qualified in Westchester County
Commission Expires March 30, 1970

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SUPPLEMENT TO SUBSTITUTED SCHEDULE A

ITEM 15

ALL that certain plot, piece or parcel of land, 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:

REEL 339 PAGE 63

BEGINNING at the corner formed by the intersection of the Northeasterly side of Astoria Avenue with the Easterly side of 24th Street (now 81st Street); thence running Northerly, along said Easterly side of 24th Street, 99.65 feet; thence Easterly, at right angles to said 24th Street, 50 feet; thence Southerly, again parallel with said 24th Street, 118.33 feet to said Northeasterly side of Astoria Avenue; and thence Northwesterly, along said Northeasterly side of Astoria Avenue, 53.37 feet to the point or place of BEGINNING.

EXCEPTING so much therefrom as was taken for the opening and widening of Astoria Boulevard.

Be the said several dimensions more or less.

ITEM 16

The right to install or permit the installation by the Federal Aviation Agency of aids to avigation in and upon the following described strip of property: REEL 339 PAGE 64

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:

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.

INCLUDING AND SUBJECT TO the restrictions, covenants, terms and conditions provided in the Agreement between the City and the Port Authority dated June 20, 1967 not completed or satisfied by this letting.

ITEM 17

TRACT A

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 1, Block 459, as said Tax Map was on October 22, 1951, and being more particularly bounded and 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 water line of Jamaica Bay above referred 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

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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.

REEL 339 PAGE 66

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TRACT B

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Queens, City and State of New York, shown and designated on the Tax Map of the City of New York for the Borough of Queens as Section 61, Block 16017, Lot 1, as said Map was on October 22, 1951.

REEL 339 PAGE 67

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THIS INDENTURE AND ELEVENTH SUPPLEMENTAL AGREEMENT OF THE AIRPORT TERMINALS LEASE, made as of the 11th day of December, 1992, 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, having its office at One World Trade Center, Borough of Manhattan, City, County and State of New York, (hereinafter referred to as the "Port Authority") and THE CITY OF NEW YORK, a municipal corporation of the State of New York, having its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (hereinafter referred to as the "City").

WITNESSETH THAT:

WHEREAS, pursuant to that certain Agreement with respect to Municipal Air Terminals between the City and the Port Authority dated April 17, 1947, which was recorded on May 22, 1947, in the Office of the Register (Queens County), New York in Liber 5402 of Conveyances, page 319, and as such Agreement has been supplemented from time to time (the "Air Terminals Lease"), the City has demised to the Port Authority certain described premises for air terminal purposes and certain purposes incidental thereto (collectively, "Air Terminals Uses"); and

WHEREAS, the Air Terminals Lease provides, among other things, that the Port Authority shall, immediately upon acquisition of any lands and improvements thereon or rights, easements or interests therein for use in extension of the municipal air terminals or for use in maintaining airplane beacons, guides or other aids to navigation (collectively, "Acquisition Purposes"), convey the same to the City without consideration, and such property shall become part of the premises demised under the Air Terminals Lease; and

WHEREAS, the Port Authority has acquired certain real property hereinafter described (said real property and an easement acquired in connection with the acquisition of such property being hereinafter referred to as the "Property"), subject to the encumbrances and exceptions specified herein for Acquisition Purposes; and

WHEREAS, pursuant to the Air Terminals Lease, the Port Authority desires to convey the Property to the City; and

WHEREAS, pursuant to the Air Terminals Lease, the City desires to accept fee title to the Property and to lease the Property back to the Port Authority; and

WHEREAS, the Port Authority and the City wish to enter into certain understandings with respect to the Property;

NOW, THEREFORE, in consideration of the premises herein and undertakings hereinafter set forth and because the Port Authority has acquired, and hereby represents that it has acquired, the Property for Acquisition Purposes, the Port Authority and the City hereby agree as follows:

1. The Port Authority does, in accordance with and pursuant to the requirements of the Air Terminals Lease, hereby remise, release and quit claim 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:

ALL these lots, pieces or parcels of land, if any, thereon, situate in the Borough and County of Queens, City and State of New York, bounded and described as set forth in Exhibit A and Schedule B-1 hereto and the easement conveyed to the Port Authority and its successors and assigns in the deed conveying such parcels of land to the Port Authority on the areas bounded and described as set forth in Exhibit B hereto.

Subject, however, to the following:

(a) the Air Terminals Lease, and all rights of the City and the Port Authority, respectively, as lessor and lessee or otherwise thereunder;

(b) outstanding title in the People of the State of New York or in the City and liens and encumbrances in favor of the People of the State of New York or the City which reduce the estate or interest of any of the former owners;

(c) encroachments, if any, upon the premises herein described of any structures or appurtenances standing or maintained partly upon the premises herein described and partly upon the adjoining premises;

(d) any state of facts which an accurate survey may show;

(e) the Cable Facilities Lease and the Barterama Agreement as such terms are defined in the license agreement referred to in paragraph 3 below.

(f) the attached Permitted Exceptions as described in Schedule D of the Contract of Sale entered into between the New York Racing Association, Inc. (NYRA) and the Port Authority dated December 10, 1992.

(g) the easement reserved by NYRA in the deed conveying the Property to the Port Authority on the area bounded and described as set forth in Exhibit C hereto.

2. The City, pursuant to the Air Terminals Lease, hereby accepts the conveyance from the Port Authority and leases the Property to the Port

Authority and the Port Authority, pursuant to the Air Terminals Lease, hereby leases the Property from the City for Air Terminals Uses.

3. The Port Authority and NYRA have entered into a license agreement (the "License Agreement") dated as of the date hereof, a copy of which has been provided to the City, permitting NYRA to use the Premises in accordance with the terms and conditions of the License Agreement. The Port Authority shall not amend or modify the License Agreement without the City's prior written consent which shall not be unreasonably withheld.

4. In the event the License Agreement terminates before the Port Authority has commenced use of the Property for Air Terminals Uses and the Port Authority does not plan to commence such use of the Property within six (6) months of such termination, the Port Authority shall, consistent with its plans for the Property, (i) diligently and continuously use such good faith efforts as the City and the Port Authority shall agree are appropriate to obtain other licensees to use the Property for interim uses under license agreements which will also obligate such new licensees to pay to the City payments in lieu of Taxes ("PILOT") in amounts to be determined by the City pursuant to such agreement as the City and the new licensee shall enter into; and (ii) provided the Port Authority has been unable to find a licensee to replace NYRA or any licensee subsequent to NYRA, the Port Authority shall negotiate in good faith with such person or entity as may be proposed by the City. The Port Authority shall not enter into a license agreement with any person unless the City, by its prior written consent, which consent shall not be unreasonably withheld, has (x) approved such person (in those instances where the Port Authority has proposed the licensee); and (y) approved the license agreement to be entered into (regardless of whether the Port Authority or the City has proposed the licensee in question). It shall be reasonable for the City to withhold its consent if, without limitation, the proposed licensee: (I) does not agree to pay PILOT in an amount equal to full taxes on the Property pursuant to an agreement substantially similar to the NYRA PILOT Agreement as hereinafter defined; or (ii) upon investigation, is revealed to be a "prohibited person" as such term is defined in Schedule I annexed hereto; or (iii) the proposed license agreement does not contain, without limitation, provisions which (aa) indemnify the City, and (bb) insure the City as an additional insured under the licensee's liability insurance policy, and (cc) require the City's consent for sub-licenses, which consent may be unreasonably withheld, and (dd) establish that an event of default under the PILOT agreement is an event of default under the license agreement, and (ee) upon the occurrence of the cross-default referred to in "dd" preceding, give the Port Authority the right to terminate the license agreement, eject the licensee from the Property, collect PILOT arrears, and enforce PILOT agreement obligations, and (ff) set forth a covenant on the part of the licensee to not violate, whether by action or inaction, the terms and conditions of the Air Terminals Lease, and (gg) provide for rights of revocation in the Port Authority which are consistent with the nature of a licensor-licensee relationship and (hh) prohibit certain dealings concerning South Africa (see

Schedule II annexed hereto), and (ii) prohibit certain dealings concerning Northern Ireland (see Schedule III annexed hereto). To the extent it has discretion, the Port Authority will not consent to subleases requested by Queens Inner Unity Cable Systems pursuant to the Cable Facilities Lease or sublicenses requested by the Barterama Corporation pursuant to the Barterama Agreement without the City's consent, which will not be unreasonably withheld. For purposes of this paragraph 4, the Port Authority will be deemed to have commenced use of the Property for Air Terminals Uses only when work required in connection with a project (including site preparation work) has actually begun on the Property, and not because design or other planning work has begun for a project at the Property.

5. Upon receipt of notice from the City that an "Event of Default" has occurred under that certain PILOT Agreement entered into between the City and NYRA, dated the date hereof (the "NYRA PILOT Agreement") or other subsequent PILOT agreements (as the case may be and as the term "Event of Default" is and shall be defined under such agreements), the Port Authority shall within thirty-five (35) days of the receipt of such notice, unless NYRA or other licensee (as the case may be) has cured such default within such 35-day period: (i) duly deliver a notice of termination to terminate the Licensee Agreement or other license agreement (as the case may be) and (ii) take legal action to eject NYRA or other licensee (as the case may be) from the Property once the applicable license agreement is terminated pursuant to such notice.

6. Until the Port Authority commences use of the Property for Air Terminals Uses as provided in paragraph 4 of this Agreement, the rent paid to the City by the Port Authority pursuant to the Air Terminals Lease shall remain undiminished by (i) the addition of the Property to the demise of the Air Terminals Lease, (ii) the expenditure by the Port Authority of any and all monies for the acquisition of the Property, and (iii) the expenditure by the Port Authority of any monies for the operation and maintenance of the Property, including but not limited to, the cost of the Port Authority's staff time, whether allocated or dedicated directly to the Property ("Operating Costs"); so that, and except as provided below for portions of the Property on which the Port Authority has from time to time commenced Air Terminals Uses (as provided in paragraph 4), rental shall be paid to the City as if the Property had not been added to the demise and as if the Port Authority had not made any expenditure whatsoever for the acquisition, operation or maintenance of the Property. Specifically, and without limiting the generality of the foregoing:

I. The Port Authority shall not take account of its acquisition costs for the Property in calculating Imputed Debt Service B as defined in paragraph 1 (H) of the Ninth Supplemental Agreement of the Air Terminals Lease for the Property for any period occurring prior to the Port Authority commencing use of the Property for Air Terminals Uses (as provided in paragraph 4) notwithstanding that the Port Authority would otherwise take account of such

costs; provided, however, that in the event commencement of such use occurs with respect to a portion of the Property, the Port Authority may take account, in calculating Imputed Debt Service B, such portion of the acquisition costs as may be proportionately allocated to the portion of the Property in question. The proportionate allocation shall equal the product obtained by multiplying the total acquisition cost of the Property by a fraction the numerator of which shall be the number of acres (rounded down to the nearest whole acre) in such portion of the Property so taken and the denominator of which shall be total acreage of the Property.

ll. In determining the amount of rent, additional or otherwise, owing to the City under the Air Terminals Lease for any rental period, the Port Authority shall not reduce the net amount to be paid to the City by deducting or offsetting Operating Costs expended by the Port Authority for, or on account of, or which may be attributable to the Property; provided, however, that in the event commencement of use of the Property for Airport Terminals Uses (as provided in paragraph 4) occurs with respect to a portion of the Property, the Port Authority may allocate a portion of the Operating Costs which are attributable to and/or proportionately allocable to the portion of the Property in question and then, take into such allocated and/or attributed portion of the Operating Costs in calculating the net rental amount owing to the City. Proportionate allocation shall be calculated in the same manner as hereinbefore applied to Imputed Debt Service B.

7. Notwithstanding anything to the contrary in paragraph 6 preceding, upon commencement of use of the Property (or any part thereof) for Air Terminals Uses (as provided in paragraph 4), the acquisition cost (of the Property) upon which the Port Authority calculates Imputed Debt Service B, shall be reduced by (i) the aggregate amount of license fees and other income, if any, previously received by the Port Authority from the Property less (ii) the aggregate amount of Operating Costs. If only a portion of the Property shall be used for such Air Terminals Uses, then in calculating proportionate allocation of Imputed Debt Service B for such portion, income from the Property shall also be proportionately allocated to the portion of the property in question.

8. The Port Authority shall notify the City with respect to commencing use of the Property or any portion thereof for Air Terminals Uses (as provided in paragraph 4), describing the reason for such action and the anticipated Air Terminals Uses.

9. Except to the extent prevented by applicable law, the Port Authority shall obtain a tax lot subdivision pursuant to which the Property is separated out of the tax lot of which it currently forms a part (Tax Lot 2, Block 11543, Queens County) within 12 months of the date hereof. The City recognizes that the Port Authority's ability to obtain such tax lot subdivision is dependent upon the performance by NYRA of its obligations with respect to

such subdivision as are contained in the PILOT Agreement.

10. No costs incurred by the Port Authority pursuant to obligations to be performed by the Port Authority under this Agreement shall be reimbursed by the City.

11. Except as modified herein, the Air Terminals Lease shall remain unmodified and in full force and effect.

12. This Agreement may be executed in separate counterparts.

IN WITNESS WHEREOF, the parties hereto have caused their corporate seals to be hereunto affixed and duly attested and this Agreement to be signed by their authorized officer the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: Stanley Brezenoff
Stanley Brezenoff
Executive Director

ATTEST:

City Clerk

THE CITY OF NEW YORK

By: _____
Barry F. Sullivan, Deputy Mayor
For Finance and Economic
Development

Approved as to Form:

Acting Corporation Counsel

Approved as to Form:

General Counsel

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

On this 10th day of December, 1992, before me personally came BARRY F. SULLIVAN, to me known and known to me to be the Deputy Mayor of The City of New York and the same person who executed the above instrument, and (s)he acknowledged that (s)he executed the foregoing instrument on behalf of The City of New YOrk as said Deputy Mayor pursuant to the authority vested in him/her.

Concetta Miele
Notary Public

CONCETTA MIELE
Commissioner of Deeds
City of New York - No. 2-7034
Certificate Filed in Kings County
Commission Expires April 1, 1993

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

On this 11th day of December, 1992, before me personally came Carlos Cuevas, to me known and known to me to be the City Clerk of The City of New York, who, being by me duly sworn, did depose and say that he resides _____, that he is the City Clerk of The City of New York; the corporation described in and which executed the above instrument; that he knows the seal of said corporation, that the seal affixed to said instrument is such seal; that it was so affixed as provided by law, and that he signed his name thereto as City Clerk by like authority.

Margaret A. Temple
Notary Public

MARGARET A. TEMPLE
Commissioner of Deeds
City of New York - No. 1-5714
Certificate Filed in Manhattan County
Commission Expires Sept. 1, 1994

such subdivision as are contained in the PILOT Agreement.

10. No costs incurred by the Port Authority pursuant to obligations to be performed by the Port Authority under this Agreement shall be reimbursed by the City.

11. Except as modified herein, the Air Terminals Lease shall remain unmodified and in full force and effect.

12. This Agreement may be executed in separate counterparts.

IN WITNESS WHEREOF, the parties hereto have caused their corporate seals to be hereunto affixed and duly attested and this Agreement to be signed by their authorized officer the day and year first above written.

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Secretary

By: _____
Stanley Brezenoff
Executive Director

ATTEST:

City Clerk

THE CITY OF NEW YORK

By: _____
Barry F. Sullivan, Deputy Mayor
For Finance and Economic Development

Approved as to Form:

Acting Corporation Counsel

Approved as to Form:

General Counsel

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

On this 10th day of December 1992, before me, the subscriber, personally appeared Stanley Brezenoff, Executive Director of The Port Authority of New York and New Jersey, with offices at One World Trade Center, 67 Floor, New York, New York, who I am satisfied is the person who has signed the within instrument and I, having first made known to him the contents thereof, he did acknowledge that he signed, ~~sealed with the corporate seal~~ and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of the Board of Commissioners of The Port Authority of New York and New Jersey.

Lawrence W. Scheyer
Notary Public

LAWRENCE W. SCHEYER
Notary Public, State of New York
No. 31-4733435
Qualified in New York County
Commission Expires June 30, 1994

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

On this 9th day of December, 1992, before me personally came LEN WASSERMAN, to me known and known to me to be the Acting Corporation Counsel of The City of New York, who, being by me duly sworn, did depose and say that he resides at 1 Ex. 1; that he is the Acting Corporation Counsel of The City of New YOrk; the corporation described in and which executed the above instrument; that he knows the seal of said corporation, that the seal affixed to said instrument is such seal; that it was so affixed as provided by law, and that he signed his name thereto as Acting Corporation Counsel by like authority.

Notary Public

RICHARD E. MARSHALC
Notary Public, State of New York
No. 4912173
Qualified in New York County
Commission Expires January 4, 1994

Southeasterly along a curve having a radius of 530 feet, a distance of 53.85 feet to a point of tangency.
South 50°-31'-44" East 46.47 feet to a point of curve.
Southeasterly along a curve having a radius of 140 feet, a distance of 39.06 feet to a point of tangency.
South 66°-30'-47" East 153.69 feet to a point of curve
Southeasterly along a curve having a radius of 640 feet, a distance of 369.15 feet to a point of tangency.
North 80°-26'-21" East 280 feet to a point of curve.
Southeasterly along a curve having a radius of 104 feet, a distance of 119.82 feet to a point of compound curve.
Southeasterly along a curve having a radius of 310 feet, a distance of 130.55 feet to a point of tangency.
South 09°-25'-24" East 228.45 feet
South 08°-59'-31" East 269.03 feet
South 01°-28'-49" East 153.78 feet to the point of place of beginning.

together with the structure shown in cross-hatching on the attached Schedule B-1

Exhibit A

Port Authority Property Line

Area = 1,131,352.78 square feet, 25.97 acres.

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 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 114 Street (60 feet wide).

South 59°-31'-52" West 298.32 feet
South 64°-52'-32" West 337.76 feet to a point of curve
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 said point of BEGINNING.

Thence Southwesterly along the Northerly side of North Conduit along a curve having a radius of 1375.30 feet a distance of 223.49 feet 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
South 79°-25'-12" West 149.59 feet
South 80°-38'-48" West 112.62 feet to the Easterly side of the land 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
North 49°-16'-48" West 33.17 feet
North 12°-11'-48" West 8.29 feet
North 49°-16'-48" West 1248.25 feet
North 45°-49'-23" West 165.84 feet
North 44°-15'-09" West 62.04 feet to a point.

Thence the following courses and distances:

North 45°-44'-51" East 50.64 feet
North 28°-15'-57" East 85.50 feet
North 72°-38'-36" East 216.88 feet
South 17°-21'-24" East 22.30 feet
North 72°-44'-21" East 174.62 feet
North 00°-12'-35" East 20.27 feet to a point on a curve.
Southeasterly along a curve having a radius of 70 feet, 57.62 feet to a point of tangency.
South 42°-37'-34" East 55.00 feet
South 44°-42'-27" East 131.85 feet to a point of curve.

Exhibit B

Easement to Port Authority

Area = 85,005.33 square feet, 1.95 acres.

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 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 114 Street (60 feet wide).

South 59°-31'-52" West 298.32 feet
South 64°-52'-32" West 337.76 feet to a point of curve
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 said point of BEGINNING.

Running thence the following courses and distances:

North 01°-28'-49" West 153.78 feet
North 08°-59'-31" West 269.03 feet
North 09°-25'-24" West 228.45 feet to a point of curve
Northwesterly along a curve having a radius of 310 feet a distance of 130.55 feet to a point of compound curve.
Northwesterly along a curve having a radius of 104 feet a distance of 119.82 feet to a point of tangency.
South 80°-26'-21" West 280 feet to a point of curve.
Northwesterly along a curve having a radius of 640 feet a distance of 369.15 feet to a point of tangency.
North 66°-30'-47" West 153.69 feet to a point of curve.
Northwesterly along a curve having a radius of 140 feet a distance of 39.06 feet to a point of tangency.
North 50°-31'-44" West 46.47 feet to a point of curve.
Northwesterly along a curve having a radius of 530 feet a distance of 53.85 feet to a point of tangency.
North 44°-42'-27" West 131.85 feet
North 42°-37'-34" West 55 feet to a point of curve.
Northwesterly along a curve having a radius of 70 feet a distance of 57.62 feet to a point.
South 00°-12'-35" West 20.27 feet
South 72°-44'-21" West 174.62 feet
North 17°-21'-24" West 22.30 feet
South 72°-38'-36" West 216.88 feet
South 28°-15'-57" West 85.50 feet
South 45°-44'-51" West 50.64 feet
North 44°-15'-09" West 17.86 feet
North 45°-44'-51" East 24.11 feet
North 28°-15'-57" East 115.64 feet
North 72°-38'-36" East 386.70 feet to a point of curve.
Southeasterly along a curve having a radius of 95 feet a distance of 107.33 feet to a point of tangency.

Schedule D

Permitted Exceptions

(1) Taxes, tax liens, tax sales, water rates, sewer rents and assessments not yet due and payable.

(2) Any state of facts shown on the survey of the Conveyance Parcel by Erlandsen-Crowell & Shaw dated December 1, 1992.

(3) Deed recorded in Liber 6815 page 100.

(4) Sewer Declaration in Liber 5178 page 223

(5) Agreement recorded in Liber 5140 page 373.

(6) Water Agreement recorded in Liber 5703 page 650.

(7) Water Agreement recorded in Liber 4108 page 427.

(8) Sewer Agreement recorded in Liber 2172 cp. 85.

(9) Declaration regarding maintenance of storm drain recorded in Liber 7010 cp. 594.

(10) The Cable Facilities Lease.

(11) The Parking Lot License.

(12) The Barterama Agreement.

South 42°-37'-34" East 54.55 feet
South 44°-42'-27" East 131.39 feet to a point of curve
Southeasterly along a curve having a radius of 505 feet a distance of 51.31 feet to a point of tangency.
South 50°-31'-44" East 46.47 feet to a point of curve.
Southeasterly along a curve having a radius of 115 feet a distance of 32.08 feet to a point of tangency.
South 66°-30'-47" East 153.69 feet to a point of curve
Southeasterly along a curve having a radius of 615 feet a distance of 354.73 feet to a point of tangency.
North 80°-26'-21" East 280 feet to a point of curve.
Southeasterly along a curve having a radius of 129 feet a distance of 148.62 feet to a point of compound curve.
Southeasterly along a curve having a radius of 335 feet a distance of 141.07 feet to a point of tangency.
South 09°-25'-24" East 228.54 feet
South 10°-02'-30" East 180.75 feet to a point of curve.
Southeasterly along a curve having a radius of 130 feet a distance of 100 feet to a point of compound curve.
Southeasterly along a curve having a radius of 154 feet a distance of 60.36 feet to a point.
South 19°-44'-18" East 86.81 feet to the Northerly side of North Conduit Avenue.
Southwesterly along the Northerly side of North Conduit Avenue as it curves having a radius of 1375.30 feet a distance of 156.31 feet to the point or place of beginning.

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N.Y. MARINE TERMINALS

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

October 27, 1994 Policy Number: 035-P10-17-94

MEMORANDUM OF JUSTIFICATION

TO: Stanley Brezenoff, Executive Director
FROM: Lillian C. Liburdi, Director, Port Department
DATE: October 31, 1994
SUBJECT: NEW YORK CITY PASSENGER SHIP TERMINAL, PIERS 40, 88, 90, 92 AND 94 - OPERATIONS AND MAINTENANCE AGREEMENT

COPY: G. Arcus (34W), F. Caggiano (34S), J. Collura (63W), R. Doggett (63E), L. Foster (34S), G. Gill (82W), V. Goldstein (67W), J. Green (67E), A. Karvasarsky (67N), V. Kelly (34S), P. Keough (34S), J. Malone (PN-25), C. McClafferty (28E), J. Savage (34S), A. Shorris (67W), A. Van Tol (BP-35), B. Weintrob (67E1)

Recommendation:	That the Executive Director authorize a) the Director, General Services Department to award a contract to Tri-Maintenance & Contractors, Inc., for operation and maintenance services at the New York City Passenger Ship Terminal, Piers 40, 88, 90, 92 and 94, for a period of two years and, at her discretion, to extend the contract for two additional one-year periods; b) the Director, General Services Department, at her discretion and as necessary, to authorize CPI, Waterfront Commission, and New York Shipping Association adjustments in the contract charges as required; and c) the Director, Port Department, to order extra work not to exceed 10% of the basic contract price and 10% of the price applicable in the reneval year.
Type of Action:	Maintenance Service Contract.
Reason for Action:	To provide supervision, labor, materials and equipment to operate and maintain the New York City Passenger Ship Terminal.
Relationship to Capital Authorization Process:	Not applicable.
Background:	The Board, at its meeting on May 13, 1971, approved the terms and conditions under which the Port Authority would participate in the construction and operation of the Passenger Ship Terminal. Under an agreement with the City of New York, the agreement authorized the expenditure of

funds for operation, maintenance and security of the terminal. With the new two-year lease extension negotiated with the City of New York, these functions must continue for that additional period.

Scope of Work: To provide all necessary supervision, personnel, equipment, transportation and other related items to operate and maintain the facility, including the operation and maintenance of the heating, air conditioning, mechanical and fire protection systems. Snow removal will also be provided.

Expected Impacts: No adverse impacts are anticipated.

Expected Duration of Contract:
Start: 12/1/94 End: 11/30/96
Number of Renewals: two
Reneval/Years: one year periods

Name and Address of Firm:
Tri-Maintenance & Contractors, Inc.
81 Dorsa Avenue
Livingston, New Jersey 07039

Selection Process: Public advertisement; award to lowest qualified bidder.

Reason Selected Over Others: Lowest qualified bidder.

Bid Array: The following bids were received on 10/14/94:

Tri-Maintenance & Contractors, Inc.	$2,953,571.30
Temco	$2,961,398.52
Shifa Services, Inc.	$3,098,073.60
EMS Services	$3,283,599.80
Triangle Services	$3,678,959.80

Staff Estimate: $3.5 million for the initial contract period.

Minority Participation: Due to the nature of this contract, no subcontracting opportunities are anticipated.

Basic Contract Terms:

Proposal Number:	#34021
Contract Amount:	$2,953;571.30
Extra Work Allowance:	10%
Total:	$3,248,928.43
Amount To Be Spent in 1994:	$270,745

Escalation:	Escalation of the labor related components of the contractor's hourly rate, during the initial term and reneval period, will be based on changes in applicable union agreements and in the Waterfront Commissions' assessment as set forth in the contract. Non-labor related components will be adjusted in the reneval period based on changes in the Consumer Price Index.
Comments:	The current contract, held by Shifa Services, Inc., will expire on November 30, 1994.
Budget Status:	Funds are available in the 1994 Budget and will be included in future years' budgets.
Authorization Mechanism:	Budget Resolution.
Accounting Charge Code:	P10 - 274 - 036 - 625 - Obj. 12 P10 - 274 - 080 - 615 - Obj. 12

Requesting Department: for [signature] Director, Port Department Date: 11/1/94

Authorizing Signature: for Kathy MacKay Executive Director Date: 11/2/94

TWELFTH SUPPLEMENTAL AGREEMENT, made as of the 27th day of June, 1994 between THE CITY OF NEW YORK, a New York municipal corporation, hereinafter called "the City", and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic created by compact between the States of New York and New Jersey with the consent of Congress, hereinafter called "the Port Authority."

WITNESSETH:

WHEREAS, under the date of April 17, 1947, the City and the Port Authority entered into an Agreement With Respect to Municipal Air Terminals, (hereinafter referred to as the "Original Agreement"), providing for the improvement, development, operation and maintenance of John F. Kennedy International Airport and LaGuardia Airport by the Port Authority; and

WHEREAS, under dates of May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1958, October 3, 1960, August 24, 1965, December 21, 1965, December 12, 1968, February 18, 1982, September 30, 1983 and December 11, 1992, the City and the Port Authority have duly amended, extended, supplemented and modified said Original Agreement; and

WHEREAS, the City wishes to lease to the Port Authority and the Port Authority wishes to let from the City certain additional real property adjacent to LaGuardia Airport for the purposes set forth herein.

NOW, THEREFORE, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns, that said Original Agreement, as previously amended, extended, supplemented and modified shall be and it is hereby further amended, supplemented and modified as follows:

Section One The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City for use as an aircraft runway overrun area, the additional real property owned by the City more specifically described below, to have and to hold unto the Port Authority from the date of this Twelfth Supplemental Agreement until the expiration or sooner termination of the Original Agreement, subject to all of the terms, covenants and conditions set forth in said Original Agreement as previously amended, extended, supplemented and modified:

ALL that lot, piece or parcel of land, with buildings and improvements, if any, thereon, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

BEGINNING at a point in the easterly boundary line of LaGuardia Airport having a coordinate value of South 26,876.993 feet and East 31,340.163 feet formed by the intersection of the first and second courses of a parcel of land demised to The Port Authority of New York and New Jersey by the City of New York on September 30, 1983 by the Tenth Supplemental Agreement, recorded in the New York City Register's Office for Queens County on March 12, 1984 in Reel 1650 at page 632 and running:

1. South 78°-43'-31" East a distance of 450.00 feet along said easterly boundary line to a point having a coordinate value of South 26,964.974 feet and East 31,781.478 feet; thence

2. North 18°-27'-15" East a distance of 20.773 feet departing from said easterly boundary line to a point having a coordinate value of South 26,945.270 feet and East 31,788.054 feet; thence

3. South 86°-41'-13" East a distance of 220.00 feet to a point having a coordinate value of South 26,957.984 feet and East 32,007.686 feet; thence

4. North 18°-27'-15" East a distance of 258.99 feet to a point having a coordinate value of South 26, 712.311 feet and East 32,089.669 feet; thence

5. North 86°-41'-13" West a distance of 220.00 feet to a point having a coordinate value of South 26,699.597 feet and East 31,870.036 feet; thence

6. North 18°-27'-15" East a distance of 360.199 feet to a point having a coordinate value of South 26,357.921 feet and East 31,984.055 feet; thence

7. North 3°-05'-15" East a distance of 800.00 feet to a point having a coordinate value of South 25,559.082 feet and East 32,027.144 feet; thence

8. North 50°-30'-13" West a distance of 298.209 feet to a point having a coordinate value of South 25,369.412 feet and East 31,797.026 feet; thence

9. North 86°-54'-45" West a distance of 750.00 feet to a point having a coordinate value of South 25,329.016 feet and East 31,048.115 feet; thence

10. South 38°-44'-34" West a distance of 283.064 feet to a point in the original boundary line of land demised to The Port Authority of New York and New Jersey by the City of New York in an Agreement with respect to Municipal Air Terminals, dated April 17, 1947 and recorded in the New York City Register's Office for Queens County on May 22, 1947 in Liber 5402 of conveyance at page 319 and having a coordinate value of South 25,549.796 feet and East 30,870.966 feet; thence

11. South 86°-54'-45" East a distance of 340.00 feet along said boundary line to a point of curvature having a coordinate value of South 25,568.109 feet and East 31,210.473 feet; thence

12. Easterly, southeasterly and southerly along said boundary line of LaGuardia Airport and along the arc of a circle, having a radius of 200.00 feet, a central angle of 90°-00'-00" and an arc length of 314.159 feet to a point of tangency having a coordinate value of South 25,778.590 feet and East 31,399.410 feet; thence

13. South 3°-05'-15" West along said boundary line a distance of 1100.00 feet to the point and place of beginning.

The coordinates and bearings mentioned in the description hereinabove 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.

Section Two. Except as hereinabove provided, all of the terms, conditions, covenants and agreements of the Original Agreement, as the same has been previously amended, extended, supplemented and modified, shall be and remain in full force and effect.

Section Three. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Twelfth Supplemental Agreement, or because of its execution or attempted execution or because of any breach or alleged breach thereof.

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 Mayor; 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 above written.

ATTEST:

City Clerk

THE CITY OF NEW YORK

Deputy Mayor & Operations

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Executive Director

Approved as to Form:

Acting Corporation Counsel

Approved as to Form:

General Counsel

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

On this 13th day of June, 1994, before me personally came and appeared Stanley Brezenoff to me known, who being by me duly sworn, did depose that he is the Executive Director of 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, described in and which executed the foregoing instrument; that he knows the seal of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and that he signed his name thereto by like order.

Karen E Eastman

KAREN E. EASTMAN
Notary Public, State of New York
No. 4766314
Qualified in New York County
Commission Expires February 28, 1995

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

On this 21st day of June, 1994, before me personally came Peter J. Powers to me known and known to me to be the Dep Mayor for Operations of the City of New York and the same person who executed the foregoing instrument and he acknowledged that he executed the foregoing instrument on behalf of the City of New York in his official capacity pursuant to the authority vested in him by Executive Order.

RICHARD E. MARSHALL
Notary Public, State of New York
No. 4912173
Qualified in New York County
Commission Expires January 4, 1996

TENTH SUPPLEMENTAL AGREEMENT, made as of the 30th day of September, 1983 between THE CITY OF NEW YORK, a New York municipal corporation, hereinafter called "the City", and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, hereinafter called "the Port Authority."

WITNESSETH:

WHEREAS, under date of April 17, 1947, the City and the Port Authority entered into an Agreement With Respect to Municipal Air Terminals, (hereinafter referred to as the "Original Agreement"), providing for the improvement, development, operation and maintenance of John F. Kennedy International Airport and LaGuardia Airport by the Port Authority; and

WHEREAS, under dates of May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1958, October 3, 1960, August 24, 1965, December 21, 1965, December 12, 1968 and February 18, 1982, the City and the Port Authority have duly amended, extended, supplemented and modified said Original Agreement; and

WHEREAS, it was contemplated and intended by the Ninth Supplemental Agreement to the Original Agreement (dated February 18, 1982) that additional land adjacent to LaGuardia Airport be demised to the Port Authority by the City on terms and conditions as more specifically therein set forth, upon completion of legally required governmental approvals including but not limited to the Board of Estimate; and

WHEREAS, such governmental approvals have now been completed and the Board of Estimate by resolution duly adopted on July 21, 1983 has authorized the execution and delivery of this Agreement (Calendar #310).

NOW, THEREFORE, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns, that said Original Agreement, as previously amended, extended, supplemented and modified shall be and it is hereby further amended, supplemented and modified as follows:

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

On this 28th day of June, 1994, before me personally came Carlos Cuevas with whom I am personally acquainted and known to me to be the City Clerk of the City of New York, being by me duly sworn, deposes and says: that he is the City Clerk of the City of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation that the seal affixed to said instrument is such corporate seal; that it was so affixed as provided by law; and that he signed his name thereto as City Clerk by like authority.

Marianne Snow

MARIANNE SNOW
Commissioner of Deeds
City of New York - No. 2-9898
Certificate filed in New York County
Commission Expires April 1, 1995

1. The City hereby demises and leases to the Port Authority and the Port Authority does hereby hire and take from the City for parking purposes, which use shall include grading, black topping, fencing and lighting of the uplands contained therein, the additional land owned by the City more specifically described below, to have and to hold unto the Port Authority from the date of this Tenth Supplemental Agreement until the expiration or sooner termination of the Original Agreement, subject to all of the terms, covenants and conditions set forth in said Original Agreement as previously amended, extended, supplemented and modified including as modified by aforesaid Ninth Supplemental Agreement:

BEGINNING at a point in the easterly boundary of a parcel of land demised to the Port Authority by the City, by Agreement entitled: "Agreement with Respect to Municipal Air Terminals" dated April 17, 1947, recorded in the Office of the New York City Register, Queens County on May 22, 1947 in Liber 5402, Page 319, etc. of conveyances, as amended and supplemented by the "Eighth Supplemental Agreement" with respect to Municipal Air Terminals thereto dated December 12, 1968 recorded July 23, 1969 in Reel 339 at pages 46 through 68, and described by metes and bounds in paragraph III therein at pages 9 and 10, said point having the coordinate values of South 28,053.834 and East 31,105.546 thence: (1) North 11°-16'-29.13" East along said boundary, a distance of 1200.00 feet to a point having the coordinate values of South 26,876.993 and East 31,340.163; thence (2) South 78°-43'-30.87" East a distance of 450.000 feet to a point having the coordinate value of South 26,964.974 and East 31,781.478; thence (3) South 11°-16'-29.13" West a distance of 1100.000 feet to a point having the coordinate value of South 28,043.745 and East 31,566.413; thence (4) South 88°-44'-45.42" West a distance of 460.98 feet to the point and place of beginning.

The coordinates and bearings mentioned in the description hereinabove 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.

RESERVING to the City and the United States Army Corps of Engineers or its successors in duties a right of escorted access at all times by the Port Authority for vehicles and pedestrians through the aforesaid described lands to the uplands owned by the City abutting, lying and

being situate southeast of LaGuardia Airport. In addition the Port Authority shall maintain the paved pedestrian walkway, four feet in width, constructed by the Port Authority on said uplands to its southeasterly terminus in Flushing Bay.

2. Except as hereinabove provided, all of the terms, conditions, covenants and agreements of the Original Indenture, as the same has been previously amended, extended, supplemented and modified, shall be and remain in full force and effect.

3. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Tenth Supplemental Agreement, or because of its execution or attempted execution or because of any breach thereof.

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 Deputy Mayor; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Assistant Executive Director, as of the day and year first above written.

ATTEST:

City Clerk

THE CITY OF NEW YORK

Deputy Mayor

ATTEST:

John B. McGarvey
~~Secretary~~
Comptroller

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Assistant Executive Director

Approved as to Form:

(Acting Corporation Counsel)

Approved as to Form:

Harry K. Barr
for General Counsel

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

On this 15th day of September, 1983, before me personally came and appeared ROBERT F. BENNETT, to me known, who being by me duly sworn, did depose and say that he resides at Ex. 1 [illegible]th Street, New York, New York 10011; that he is the Assistant Executive Director of 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, described in and which executed the foregoing instrument; that he knows the seal of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and that he signed his name thereto by like order.

Harry Kyle Barr, III

HARRY KYLE BARR, III
NOTARY PUBLIC, STATE OF NEW YORK
No. 31—0169855
Qualified in New York County
Commission Expires March 30, 1985

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

On this 30 day of Sept, 198[illegible] before me personally came Nathan Leventhal to me known and known to me to be the Deputy Mayor of the City of New York and the same person who executed the foregoing instrument and he acknowledged that the executed the foregoing instrument on behalf of the City of New York in his official capacity pursuant to the authority vested in him by resolution of the Board of Estimate, date and calendar number set forth in the within instrument.

ALFRED [illegible]EN, JR
Notary Public, State of New York
No. [illegible]
Qualified in Queens County
Commission Expires March 30, 1984

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

On this 4th day of October, 1983, before me personally came DAVID N. DINKINS with whom I am personally acquainted and known to me to be the City Clerk of the City of New York, being by me duly sworn, deposes and says: that he resides at Ex. 1 , New York, New York 10032; that he is the City Clerk of the City of New York, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation that the seal affixed to said instrument is such corporate seal; that it was so affixed as provided by law; and that he signed his name thereto as City Clerk by like authority.

Raquel E. Vidal

RAQUEL E. VIDAL
Commissioner of Deeds
City of New York - No. 4-2693
Certificate Filed in New York County
Commission Expires October 1, 1984

NYCS 2181

NINTH SUPPLEMENTAL AGREEMENT made as of the 1st day of January, 1979 between THE CITY OF NEW YORK, a New York municipal corporation, hereinafter called "the City", and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of Congress, hereinafter called "the Port Authority."

WITNESSETH:

WHEREAS, under date of April 17, 1947 the City and the Port Authority entered into an Agreement With Respect to Municipal Air Terminals, (hereinafter referred to as the "Original Agreement"), providing for the improvement, development, operation and maintenance of John F. Kennedy International Airport and La Guardia Airport by the Port Authority; and

WHEREAS, under dates of May 26, 1949, November 7, 1952, May 28, 1956, November 6, 1958, October 3, 1960, August 24, 1965, December 21, 1965 and December 12, 1968, the City and the Port Authority have duly amended, extended, supplemented and modified said Original Agreement; and

WHEREAS, the City and the Port Authority are agreed that revisions in certain of the provisions of the Original Agreement, as previously amended, extended, supplemented and modified, will be in the public interest, and that the continued improvement, development, operation and maintenance of said airports will be facilitated thereby;

NOW, THEREFORE, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors and assigns, that said Original Agreement, as previously amended, extended, supplemented and modified shall be and it hereby is further amended, supplemented and modified as follows:

1. DEFINITIONS

(a) Section 1 of the Original Agreement as previously amended in the Seventh Supplemental Agreement is hereby further amended by striking Section 1 of the Seventh Supplemental Agreement out in its entirety and by substituting therefore the following:

A. "Current year." The calendar year for which the rent is being computed.

B. "Annual net revenue." The difference between:

(a) the gross revenue of the current year; and

(b) the sum of the following: (1) operation and maintenance expense of the current year; (2) general and administrative expense of the current year; (3) imputed debt service of the current year; and (4) imputed debt service factor of the current year for years commencing with the current year 1985.

C. (1) "Gross revenue." Through December 31, 1982 all income and revenue of any nature whatsoever including debt service upon underlying mortgage bonds as said term is used in the Consolidated Bond Resolution adopted by the Port Authority on October 9, 1952 (Special Project Bonds), derived by the Port Authority, in any manner whatsoever, or from any source whatsoever, from or in connection with the operation of the municipal air terminals, (including, without limiting the generality of the foregoing, net earnings derived from the investment of municipal air terminal operating funds) except the proceeds of bonds and notes and interest earned on capital funds.

(2) "Gross revenue." Commencing with the current year 1983, all income and revenue of any nature whatsoever including debt service upon underlying mortgage bonds as aforesaid, derived by the Port Authority, in any manner whatsoever, or from any source whatsoever, from or in connection with the operation of the municipal air terminals. Net earnings derived from the investment of municipal air terminal operating funds and the proceeds of bonds and notes and interest earned on capital funds shall not be a part of gross revenue.

D. "Operation and maintenance expense." The expense of the Port Authority which is directly attributable to the operation and maintenance of the municipal air terminals during the current year including debt service upon underlying mortgage bonds as aforesaid (other than the rent payable to the City by the Port Authority for the demised premises and general and administrative expense). No deduction, allowance or provision for depreciation, except for automotive equipment and equipment ancillary thereto, is to be included in the operation and maintenance expense.

E. "General and administrative expense." A sum equal to fifteen percent (15%) of the operation and maintenance expense excluding debt service upon underlying mortgage bonds as aforesaid, but commencing with the current year 1981, a sum equal to fourteen and one-half percent (14-1/2%) of the operation and maintenance expense excluding debt service upon underlying mortgage bonds as aforesaid.

F. "Imputed debt service." The sum of imputed debt service A and imputed debt service B.

G. "Imputed debt service A." The sum of:

(a) the unamortized debt component (computed by multiplying the unamortized debt as of January 1, 1981, to be determined by starting with the unamortized debt as of January 1, 1980 in the amount of $316,334,825.68, deducting the amortization of $42,377,722.69 for the calendar year 1980, and adding the difference between the amount of capital transferred to completed construction in the calendar year 1980 and the federal aid transferred to completed construction in said calendar year 1980, as said unamortized debt is thereafter reduced as hereinafter provided, by the amortization factor for the current year) and

(b) the capital replacement component (computed by multiplying the value of the plant in service on January 1, 1981, to be determined by starting with the value of the plant in service on January 1, 1980 in the amount of $884,206,842.00, and adding the difference between the capital amount of transfers to completed construction in the calendar year 1980 and the capital expenditures related to properties retired in said calendar year 1980, as said plant in service is thereafter reduced as hereinafter provided, by the replacement factor for the current year).

The unamortized debt for the purpose of computing imputed debt service A shall be the unamortized debt as of January 1 of the calendar year immediately preceding the current year less the amount constituting the difference between (aa) imputed debt service A for such preceding calendar year and (bb) the interest for such preceding calendar year (computed by multiplying the unamortized debt as of January 1 of the preceding calendar year by the current interest rate for such preceding calendar year). The value of the plant in service for the purpose of computing imputed debt service A shall be reduced each year commencing with calendar year 1982 by the capital expenditures related to the properties retired during the preceding calendar year. The computation of the unamortized debt component for imputed debt service A will cease and expire in the current year in which the unamortized debt reaches zero or in the calendar year 2015, whichever is earlier. The computation of the capital replacement component for imputed debt service A will cease and expire in the current year in which the value of the plant in service reaches zero or in the calendar year 2015, whichever is earlier. There will be no increase in the unamortized debt or in the plant in service with respect to imputed debt service A from the amounts fixed as of January 1, 1981. As to all retired properties hereunder, said term shall mean properties which were transferred to completed construction during any year prior to January 1 of the calendar year 1981.

H. "Imputed debt service B." Imputed debt service B shall commence with the current year 1982 and shall be the sum of all Imputed Debt Service B Annual Amounts. The Imputed Debt Service B Annual Amount (the IDSB Annual Amount) for each year will be the sum of:

(a) its unamortized debt component (computed by multiplying the unamortized debt applicable to the IDSB Annual Amount as of January 1 of the current year by the amortization factor for such year) and

(b) its capital replacement component (computed by multiplying the value of the plant in service applicable to the IDSB Annual Amount on January 1 for the current year by the replacement factor for the current year).

Notwithstanding the method of computing imputed debt service B, as hereinabove defined, the capital replacement component shall be omitted in computing imputed debt service B for the last current year (calendar year 2015) of the lease, and the actual amount of capital transferred to completed construction during the calendar year 2015, less Federal aid received during the calendar year 2015, shall be used in lieu thereof. Moreover there will be no computation with respect to any IDSB Annual Amount of imputed debt service B of the unamortized debt component for any current year in which the unamortized debt applicable to said IDSB Annual Amount as of January 1 of said current year is zero.

With respect to Imputed Debt Service B, for the purpose of computing the 1982 IDSB Annual Amount, as of January 1, 1982 unamortized debt shall be the difference between the amount of capital transferred to completed construction in the preceding calendar year and the amount of federal aid transferred to completed construction in such preceding calendar year, and for each current year thereafter the unamortized debt for the 1982 IDSB Annual Amount shall be the difference between

(1) its unamortized debt as of January 1 of the calendar year immediately preceding the current year and

(2) the amount constituting the difference between (aa) its IDSB Annual Amount for such preceding year and (bb) the interest for such preceding calendar year (computed by multiplying its unamortized debt as of January 1 of the preceding calendar year by its interest rate, which will be the current interest rate for the current year 1982 as determined in accordance with the provisions of K(2) hereof.

With respect to imputed debt service B, for the purpose of computing the 1982 IDSB Annual Amount, as of January 1, 1982 the value of the plant in service shall be the amount of the capital amount transferred to completed construction in the preceding calendar year (hereinafter referred to as the "1982 transferred amount") and for each current year thereafter the value of the plant in service for the 1982 IDSB Annual Amount shall be the 1982 transferred amount less the amount of retired properties. "Retired properties" shall mean the amount of the capital expenditures related to the properties retired during such preceding year, with said amount to be applied chronologically to the earliest IDSB Annual Amount and without regard to the nature or date of the transferred amount. As to all retired properties hereunder, said term shall mean properties which were transferred to completed construction during any year subsequent to January 1 of the calendar year 1981.

Computations similar to the one as set forth for the 1982 IDSB Annual Amount will be made in like manner with respect to all subsequent IDSB Annual Amounts, the sum of all such IDSB Annual Amounts constituting imputed debt service B for each current year.

As used in this lease, the term "plant in service" shall not include automotive equipment or equipment ancillary thereto.

I. "Amortization factor." The appropriate annual factor to be applied to the unamortized debt as of the beginning of the current year listed in Table I under the rate of current interest established for that year. With respect to imputed debt service A and in determining the "Leasehold Term Remaining" the unexpired term of the lease shall be determined on the basis of an expiration date of 2015. With respect to imputed debt service B, in determining the "Leasehold Term Remaining" the unexpired term of the lease shall be determined on the basis of the expiration date of 2015. As set forth in Table I, the Leasehold Term Remaining for the current year 1979 is 37.

J. "Replacement Factor." As to imputed debt service A, the appropriate annual factor to be applied to the value of the plant in service as of the beginning of the current year listed in Table II under the rate of current interest established for that year. As to

imputed debt service B, the appropriate annual factor to be applied to the value of the plant in service as of the beginning of the current year listed in Table II under the rate of current interest established for that year. With respect to imputed debt service A, in determining the "Leasehold Term Remaining" the unexpired term of the lease shall be determined on the basis of an expiration date of 2015. With respect to imputed debt service B, in determining the "Leasehold Term Remaining" the unexpired term of the lease shall be determined on the basis of the expiration date of 2015. As set forth in Table I, the Leasehold Term Remaining for the current year 1979 is 37.

K. (1) "Current interest rate." With respect to imputed debt Service A, effective as of the current year 1981 ten and one-half percent (10-1/2%) or the product (rounded off to the nearest eighth of one percent) arrived at by multiplying the average of the weekly indices as reported in the "Daily Bond Buyer" under their "20 Bond Index" during the calendar year preceding the current year by the appropriate factor indicated below, whichever is lower:

Rating of Port Authority Bonds (Moody's)	Rating of Port Authority Bonds (Standard & Poor's)	Factor
Aa	AA	1.09
A	A	1.14
Baa or lower	BBB or lower	1.21

(2) "Current interest rate." With respect to imputed debt service B, the product (rounded off to the nearest eighth of one percent) arrived at by multiplying the average of the weekly indices as reported in the "Daily Bond Buyer" under their "20 Bond Index" during the two calendar years immediately preceding the current year by the factor of 1.09.

(3) The average of the weekly indices will be rounded off to the nearest .01. If the average before rounding happens to fall at the exact midpoint between two successive 1/100's, it shall be rounded down on the first such occurrence, then up and down alternately on successive occurrences. Similarly, should the product of the average index and the appropriate factor result

in a number at the exact midpoint between two successive eighths of one percent, it shall be rounded down on the first such occurrence, then up and down alternately on successive occurrences.

L. "Rating of Port Authority bonds" shall be the lower rating of the municipal bond ratings supplied by "Moody's Investors Service, Inc." or "Standard & Poor's Corp." of those Port Authority bond issues (other than Port Authority bonds guaranteed by any other government body) for which the Port Authority received and accepted bids during the calendar year preceding the current year. If the bond issues sold during that year do not all have the same rating, then the factor to be used shall be the average (rounded to the nearest .01) of the factors corresponding to the rating of said bond issues at the time of acceptance of bids, weighted in accordance with the principal amounts of said bond issues. In the event that there are no bond issues in the calendar year preceding the current year, then the rating of bond issues of the last previous calendar year prior thereto in which the Port Authority received and accepted bids on any bond issue shall be deemed the rating of the bond issues during the calendar year preceding the current year. The foregoing applies only to imputed debt service A.

In the event that the "Daily Bond Buyer" or their "20 Bond Index" or "Moody's Investors Service, Inc." or "Standard & Poor's Corp." or the rating of Port Authority bonds by said Moody's Investors Service, Inc. or Standard and Poor's Corp. shall be discontinued during the term of this agreement, a comparable substitute for such discontinued element shall be mutually agreed upon in writing by the City and the Port Authority within thirty (30) days after such discontinuance. In the event that the parties shall fail to agree upon such a substitute within the time hereinabove specified, the question shall be submitted to three experts in this field recommended by the American Arbitration Association and selected as follows: each of the parties to this agreement, within thirty (30) days after the expiration of the period hereinabove specified for reaching agreement upon a substitute for such discontinued element, shall designate one such expert recommended by the American Arbitration Association and the two experts thus chosen shall, within fifteen (15) days after both have been designated, designate

a third expert having the recommendation of such Association. The determination of a majority of said three experts shall be final and binding upon the parties hereto and the parties hereto agree to be bound by such determination provided that such determination shall be made in writing within forty-five (45) days next after the subsubmission to them of the question, or on or before any later date to which the said experts, by any writing signed by a majority of them shall enlarge the time for making such determination.

M. "Imputed debt service factor." A sum equal to thirty (30) per cent (30%) of imputed debt service.

N. "Airports investment." All amounts expended, directly or indirectly, or costs incurred, directly or indirectly, for, in connection with or related to the construction, rehabilitation, expansion, improvement or development of or related to the Municipal Air Terminals whether or not any of the foregoing is located on said Air Terminals and whether any such amounts were expended or costs incurred by the Port Authority or any third person, including without limitation thereto any Port Authority tenant, permittee, other occupant or user of the Air Terminals doing so pursuant to agreement with or the consent of the Port Authority, and regardless of the source of the amounts so expended or the costs incurred, including without limitation thereto any grants of aid from federal, state, local or other governments applied for, sought or received by or on behalf of the Port Authority, or with its consent. This definition of Airports investment shall apply only to Section 4 of the Original Agreement, as amended by this Ninth Supplemental Agreement and is effective as of January 1, 1979.

(b) Section 1 of the Original Agreement is hereby further amended by striking out of the definition of "Bonds issued for municipal air terminal purposes" the following sentence:

"The proceeds of such bonds shall be used solely for such purposes."

2. TERM

The second paragraph of Section 3 of the Original Agreement, as the same has been previously amended, is hereby further amended by striking it out in its entirety and inserting in place thereof, the following:

"Notwithstanding any other provision of this Ninth Supplemental Agreement or of the Seventh Supplemental Agreement or of the Original Agreement, as amended, supplemented or modified, 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 lease term or sooner termination thereof (other than revenues accruing prior to the end of the lease term or sooner termination thereof), as security for the repayment of principal or interest, or of any part thereof, on any bonds of the Port Authority issued for municipal air terminal purposes or any other purposes, nor shall any such bonds of the Port Authority or any provision thereof affect in any manner whatsoever or grant any right whatsoever to or in the municipal air terminals or their operation, maintenance or revenues for or during any period after the end of the lease term or sooner termination thereof."

3. RENT

Section 4 of the Original Agreement, as the same has been previously amended, is hereby further amended by striking that Section out in its entirety and by substituting therefor the following:

"4. A RENTS

The annual rent which the Port Authority shall pay to the City for each current year from January 1, 1979 until the end of the term herein provided shall be as follows:

(1) Guaranteed Annual Rent

The guaranteed annual rent for each such year shall be the amount of:

$2,037,000 for the years 1979 through 1984;
$3,094,000 for the years 1985 through 1997;
$3,500,000 for the years 1998 through 2015;

(2)(a) Additional Payment for the current years 1979 through 1984

The Port Authority shall pay to the City, as additional rent for each year the amount if any, by which the guaranteed annual rent for such year is exceeded by the percentage of annual net revenue for such year indicated on the schedule below:

(b) Additional Payment for each current year commencing with the current year 1985

The Port Authority shall pay to the City, as additional rent for each year the amount, if any, by which the guaranteed annual rent for such year is exceeded by the sum of the annual net revenue for said year plus the imputed debt service factor for said year multiplied by the applicable percentage for such year indicated on the schedule below, provided, however, that in no event shall the additional payment under this Paragraph (2)(b) and the guaranteed annual rent under Paragraph (1) hereof exceed the annual net revenue for said year.

The foregoing provision for the additional payment is restated in equation form as follows:

$$[(A + B) \times C] - D = E$$

A = The annual net revenue for the current year.

B = The imputed debt service factor for the current year.

C = The applicable percentage for such current year indicated on the schedule below.

D = The guaranteed annual rental for said year.

E = The additional payment for each current year. This amount plus the guaranteed annual rent for such year (D) shall not in any event exceed the annual net revenue for said year (A).

(c) Schedule

1979 through 1984	60%
1985 through 2015	75%

Through December 31, 1982, the guaranteed annual rent for each such current year as specified in Paragraph (1) above shall be due and payable to the City on or before January 31 of such current year. The additional payment, if any, which may be due for each such current year pursuant to the provisions of this Paragraph (2), shall be due and payable to the City on or before March 31 of the calendar year following such current year.

Commencing with the current year 1983, the guaranteed annual rental and the additional payment for each current year as specified in Paragraphs (1) and (2) above shall be due and payable to the City in monthly installments on the 15th day of January and on the 15th day of each succeeding calendar month during such current year. The amount of each monthly installment shall consist of 1/12th of the amount estimated by the Port Authority to be due and payable for the current year. The Port Authority shall prepare an estimate as of January of each current year and shall continue in effect or revise said estimate as of April, July and October of each current year. The monthly installments payable during each quarterly period shall be based upon the Port Authority's estimate then in effect and in the event that any quarterly estimate revises the amount estimated to be due and payable to the City for the current year, whether said revision is upward or downward, then all monthly installments for the ensuing quarterly period will be made in accordance with the revised estimate. The revised estimate will also be utilized with respect to prior monthly installment paid during the current year and if additional payments are due the City they will be paid to the City and if the City has been overpaid, said overpayments shall be deducted from the monthly installments then and thereafter due. The final determination of the guaranteed annual rental and the additional payment, if any, which may be owing for each current year pursuant to the foregoing provisions shall be determined by the Port

Authority on or before March 31 of the calendar year following such current year. In the event any additional amounts are due and owing to the City they shall be due and payable to the City on or before said March 31 and if any amounts have been overpaid to the City they shall be deducted from the monthly installments then and thereafter due.

(3) Increased Rental

The Port Authority expects that the amount of continued Airports investment at the Air Terminals will be substantial. It is expected that Airports investment will reach the amounts set forth below as of the beginning of each of the five calendar years set forth below, as follows:

January 1, 1984	$125,000,000
January 1, 1989	$325,000,000 (cumulative)
January 1, 1994	$500,000,000 (cumulative)

Each of the foregoing dates is herein called a "threshold date" and each of the foregoing amounts is herein called a "threshold amount". The two-year period following a threshold date is herein called "a grace period". In the event that as of the expiration of the grace period applicable to a threshold date, Airports investment has not reached the threshold amount established for said threshold date, then thereafter an amount hereinafter called "the increased rental payment" shall be payable for the current year in which the grace period for the aforesaid threshold date has expired and for each succeeding current year until the aforesaid threshold amount is reached or until the grace period for the next succeeding threshold date expires, whichever is earlier. The increased rental payment, if any, payable for any current year shall be determined by applying the following formula:

$$\frac{A - B}{A} \times C = \text{Increased Rental Payment}$$

A = The applicable threshold amount, which for the current years 1986 through 1990 shall be $125,000,000, for the current years 1991 through 1995 shall be $325,000,000 and for any current year after 1995 shall be $500,000,000.

B = Airports investment as of January 1 of the calendar year immediately following the current year.

C = Annual net revenue for the current year less an amount determined by multipying the sum of the annual net revenue for said current year and the imputed debt service factor for said year by the applicable percentage of annual net revenue of said year as set forth in Paragraph (2) hereof. If the foregoing subtraction results in a negative difference, C shall equal zero.

The increased rental payment, if any, which may be due for each such current year pursuant to the provisions of this Paragraph (3) shall be due and payable to the City on or before March 31 of the calendar year following such current year. The foregoing computation with respect to the increased rental payment will not be made once the threshold amount previously not achieved has been reached until the expiration of the grace period applicable to the next succeeding threshold date.

B. STATEMENTS

On or before March 31 of each calendar year the Port Authority shall furnish to the City a statement of the annual net revenue of the municipal air terminals for the current year preceding such calendar year.

Such statement shall be a complete report of the following:

(a) An itemized statement of gross revenue by sources for such current year, together with a schedule of any items excludable under the terms of the lease.

(b) An itemized statement of operation and maintenance expenses for such current year listed by activity accounts.

(c) An itemized statement of the imputed debt service for such current year which shall include:

1. A schedule of individual properties and costs thereof comprising plant placed in service and plant retired during the year immediately preceding such current year; and

2. A detailed computation of the unamortized debt component and the capital replacement component for such current year.

In addition, the Port Authority shall furnish to the City on or before March 31 of each calendar year a statement of the cumulative amount of Airports investment as of the 1st day of said calendar year based upon amounts expended or costs incurred as more fully set forth in the definition of Airports investment for, in connection with or related to the construction, rehabilitation, expansion, improvement or development of any item constituting a part of Airports investment as of the last day of the immediately preceding calendar year.

No breach of any covenant, term or condition in this agreement shall excuse the Port Authority from the prompt payment of the rent herein reserved provided, however, 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 taxes, assessments or governmental levies or imposts (except charges for water and for the use of the sewer system pursuant to Section 13 of the Original Agreement as amended in the Seventh Supplemental Agreement and

Section 14 of the Original Agreement) 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 sublessees or tenants for which the Port Authority, by agreement with such sublessees or tenants, assumes the obligation to pay) shall, as between the City and the Port Authority, be deemed payment pro tanto of the rent herein reserved, and the amount of such payments shall be treated as a cumulative credit against rent otherwise payable hereunder.

4. SURRENDER OF PORTIONS OF DEMISED PREMISES - LAGUARDIA AIRPORT AND JOHN F. KENNEDY INTERNATIONAL AIRPORT

Effective on the date of execution hereof the Port Authority hereby gives up, grants, yields and surrenders unto the City and the City hereby accepts the surrender of the portions of the demised premises described as Items 1, 3 and 8 in Substituted Schedule A attached to the Second Supplemental Agreement (to the Original Agreement) dated November 7, 1952 and Item 17 in Substituted Schedule A attached to the Eighth Supplemental Agreement thereof dated December 12, 1968, and all the estate, right, title, interest, term of years, property claims and demands whatsoever of the Port Authority of, in and to and out of the same, to the extent and purpose that the said term in said portions of the demised premises herein surrendered may be wholly merged, extinguished and excluded from the Original Agreement as amended, to have and to hold said premises herein surrendered unto the City, its successors and assigns forever. Subject however to existing use and occupancy by others, and reserving unto the Port Authority, its successors and assigns for the use and benefit of the public, the right of flight for the passage of aircraft in the air space above the surface of the premises herein surrendered, which public right of flight shall include but not be limited to the right to cause in said air space any noise or other kind of pollution or disturbance inherent in the operation of any aircraft used for avigation or flight through said air space or in landing at or taking off from or operating on LaGuardia Airport or on John F. Kennedy International Airport.

The aforesaid Items are surrendered upon the further conditions that during the term for which the demised premises under the Original Agreement as amended are leased:

A. They shall not be used or occupied at any time (1) 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 other similar facilities or (iii) for 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.

B. At no time shall structures of any nature be erected, vehicles parked, other items placed, or growth of natural objects be permitted by the City upon said premises which would in the opinion of the Federal Aviation Administration (FAA) or in the reasonable opinion of the Port Authority constitute an obstruction to avigation nor shall any activity be permitted on the subject premises which in the opinion of the FAA or in the reasonable opinion of the Port Authority interferes with or constitutes a hazard to the flight of aircraft over said premises or to and from the Airports or in anywise interferes with avigation or communications serving LaGuardia Airport or John F. Kennedy International Airport. In no event, moreover, shall any structure or structures be erected or growth of natural objects be permitted upon the premises which shall project above a horizontal plane at elevation 172 measured in feet above mean sea level at Sandy Hook, New Jersey as to Item 1; or project above a horizontal plane at elevation 316 measured in feet above mean sea level at Sandy Hook, New Jersey as to Item 3; or project above a horizontal plane at elevation 212 measured in feet above mean sea level at Sandy Hook, New Jersey as to Item 8; or project above a horizontal plane at elevation 162 measured in feet above mean sea level at Sandy Hook, New Jersey as to Item 17.

5. Notwithstanding the generality of the provisions of Section 8 of the Original Agreement, as previously amended and notwithstanding the accounting practices heretofore employed by the Port Authority in setting forth for each current year amounts representing the expense to the Port Authority of self-insuring risks at the Municipal Air

Terminals as part of the "Operation and maintenance expense" under Section 4 of the Original Agreement, as amended, it is hereby specifically understood and agreed that from and after the current year 1981 and as and to the extent that the Port Authority elects to self-insure any risks at the Municipal Air Terminals, the amount to be included in any current year in "Operation and maintenance expense" for the Port Authority's self-insuring such risks shall be determined in accordance with the principles of Financial Accounting Standards Boards, Statement No. 5, Accounting for Contingencies, as long as said Statement No. 5 remains in effect.

6. (a) Upon completion of and subject to all legally required governmental approvals including but not limited to the Board of Estimate, the City intends to demise and lease to the Port Authority the additional lands hereinafter described for parking purposes, which use shall include grading, black topping, fencing and lighting of the uplands contained therein, until the expiration or sooner termination of the Original Agreement, as amended and supplemented.

All that certain plot, piece or parcel of land situate, lying and being in the County of Queens, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point in the easterly boundary of a parcel of land demised to The Port Authority by the City, by Agreement entitled: "Agreement with Respect to Municipal Air Terminals" dated April 17, 1947, recorded in the Office of the New York City Register, Queens County on May 22, 1947 in Liber 5402, Page 319, etc. of conveyances, as amended and supplemented by the "Eighth Supplemental Agreement" with respect to Municipal Air Terminals thereto dated December 12, 1968 recorded July 23, 1969 in Reel 339 at pages 46 through 68, and described by metes and bounds in paragraph III therein at pages 10 and 11, said point having the coordinate values of South 28,053.834 and East 31,105.546 thence: (1) North 11°-16'-29.13" East along said boundary, a distance of 1200.00 feet to a point having the coordinate values of South 26,876.993 and East 31,340.163; thence (2) South 78°-43'-30.87" East a distance of 450.000 feet to a point having the coordinate value of South 26,964.974 and East 31,781.478; thence

(3) South 11°-16'-29.13" West a distance of 1100.000 feet to a point having the coordinate value of South 28,943.745 and East 31,566.413; thence (4) South 88°-44'-42" West a distance of 460.98 feet to the point and place of beginning.

The coordinates and bearings mentioned in the description hereinabove 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.

RESERVING to the City and the United States Army Corps of Engineers or its successors in duties a right of escorted access at all times by the Port Authority for vehicles and pedestrians through the aforesaid described lands to the uplands owned by the City abutting, lying and being situate southeast of LaGuardia Airport. In addition the Port Authority shall maintain the paved pedestrian walkway, four feet in width, constructed by the Port Authority on said uplands to its southeasterly terminus in Flushing Bay.

(b) The City, only after consultation with the President of the Borough of Queens, intends to identify work to be performed in areas of Queens adjacent to the municipal air terminals. Upon the certification of the City from time to time that any portion of the said work is completed, the Port Authority, upon vouchers presented from time to time from the Comptroller of the City containing the said certification and at his written direction, shall pay the amount of said vouchers on behalf of the City, up to but not exceeding the sum of Two Million Dollars ($2,000,000).

(c) The amounts paid by the Port Authority as set forth in subparagraph (b) above shall be deemed to be Airports investment as defined in this Ninth Supplemental Agreement and shall be used in determining imputed debt service B hereunder.

(d) In the event the aforesaid described additional lands are not demised or leased to the Port Authority within eighteen (18) months from the date of the execution of this Ninth Supplemental Agreement, hereinafter referred to as

"the First Additional Lands Effective Date", then the agreement hereunder to lease said lands to the Port Authority shall be null and void, unless prior to the first Additional Lands Effective Date or any extended date thereof the Port Authority shall have exercised its option to extend as hereinafter provided. The Port Authority shall have the right at any time and from time to time prior to the First Additional Lands Effective Date or any extension thereof to serve a written notice upon the City extending the First Additional Lands Effective Date or any prior extension thereof to such date as the Port Authority shall designate in its notice. If the agreement hereunder to lease the aforesaid lands to the Port Authority becomes null and void as aforesaid, then all payments heretofore made by the Port Authority to the City shall be deducted from the monthly installments of the guaranteed annual rental and the additional payment as hereinbefore provided then and thereafter due, and to the extent that the full amount of $2,000,000 has not been paid to the City no further amounts shall be paid to the City. The amounts paid by the Port Authority as set forth in sub-paragraph (b) above shall not then be regarded as part of Airport investments or be utilized in determining imputed debt service B.

7. Except as specifically otherwise provided, this Ninth Supplemental Agreement shall be effective as of January 1, 1979.

8. Except as hereinabove provided, all of the terms, conditions, covenants and agreements of the Original Indenture, as the same has been previously amended, extended, supplemented and modified, shall be and remain in full force and effect.

9. No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Ninth Supplemental Agreement, or because of its execution or attempted execution or because of any breach thereof.

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 Deputy Mayor; and the

Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Assistant Executive Director, as of the day and year first above written.

ATTEST:

City Clerk

THE CITY OF NEW YORK

Deputy Mayor

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Assistant Executive Director

Approved as to Form:

(Acting Corporation Counsel)

Approved as to Form:

General Counsel

Approved as to Terms:

Comptroller

TABLE I

INSTRUCTIONS: Determine the current interest rate established for the current year. "Leasehold Term Remaining" is the unexpired term of the lease from January 1 of the current year. The appropriate equal annual factor to be applied to the unamortized debt as of the beginning of that year is shown under the rate of current interest established for that year on the line corresponding to the "Leasehold Term Remaining."

TABLE I

Factors for Unamortized Debt Component of Imputed Debt Service

Leasehold Term Remaining	Amortization Factor Under "Current Interest" Rates of: 2½%	2¾%	2¼%	2¼%
51	.03491	.03580	.03670	.03761
50	.03525	.03614	.03704	.03795
49	.03562	.03651	.03740	.03830
48	.03601	.03688	.03777	.03867
47	.03641	.03728	.03816	.03906
46	.03683	.03770	.03857	.03946
45	.03727	.03813	.03901	.03989
44	.03773	.03859	.03946	.04034
43	.03822	.03907	.03994	.04081
42	.03873	.03958	.04044	.04131
41	.03927	.04012	.04097	.04184
40	.03984	.04068	.04153	.04239
39	.04044	.04127	.04212	.04298
38	.04107	.04190	.04275	.04360
37	.04174	.04257	.04341	.04426
36	.04245	.04328	.04411	.04495
35	.04321	.04403	.04486	.04569
34	.04401	.04482	.04565	.04648
33	.04486	.04567	.04649	.04732
32	.04577	.04658	.04739	.04822
31	.04674	.04754	.04835	.04917
30	.04778	.04858	.04938	.05020
29	.04889	.04969	.05049	.05130
28	.05009	.05088	.05168	.05248
27	.05138	.05216	.05296	.05376
26	.05277	.05355	.05434	.05514
25	.05428	.05505	.05584	.05663
24	.05591	.05669	.05747	.05826
23	.05770	.05847	.05924	.06003
22	.05965	.06041	.06119	.06196
21	.06179	.06255	.06332	.06409
20	.06415	.06491	.06567	.06644
19	.06676	.06752	.06828	.06904
18	.06967	.07042	.07118	.07194
17	.07293	.07368	.07443	.07519
16	.07660	.07735	.07810	.07885
15	.08077	.08151	.08226	.08301
14	.08554	.08628	.08702	.08777
13	.09105	.09179	.09253	.09328
12	.09749	.09823	.09897	.09971
11	.10511	.10584	.10659	.10733
10	.11426	.11500	.11574	.11648
9	.12546	.12620	.12694	.12769
8	.13947	.14021	.14096	.14171
7	.15750	.15825	.15900	.15975
6	.18155	.18231	.18307	.18383
5	.21525	.21602	.21680	.21758
4	.26582	.26662	.26742	.26822
3	.35014	.35098	.35183	.35268
2	.51883	.51977	.52072	.52166
1	1.02500	1.02625	1.02750	1.02875

TABLE I

(Continued)

Leasehold Term Remaining	3%	3¼%	3½%	3¾%	3¾%
51	.03853	.03947	.04041	.04136	.04232
50	.03887	.03979	.04073	.04168	.04263
49	.03921	.04014	.04107	.04201	.04296
48	.03958	.04050	.04142	.04236	.04331
47	.03996	.04087	.04180	.04273	.04367
46	.04036	.04127	.04219	.04312	.04405
45	.04079	.04169	.04260	.04352	.04445
44	.04123	.04213	.04304	.04395	.04488
43	.04170	.04259	.04349	.04441	.04533
42	.04219	.04308	.04398	.04488	.04580
41	.04271	.04360	.04449	.04539	.04630
40	.04326	.04414	.04503	.04592	.04683
39	.04384	.04472	.04560	.04649	.04739
38	.04446	.04533	.04620	.04709	.04798
37	.04511	.04597	.04685	.04773	.04861
36	.04580	.04666	.04753	.04840	.04928
35	.04654	.04739	.04825	.04912	.05000
34	.04732	.04817	.04903	.04989	.05076
33	.04816	.04900	.04985	.05071	.05157
32	.04905	.04988	.05073	.05158	.05244
31	.05000	.05083	.05167	.05252	.05337
30	.05102	.05185	.05268	.05352	.05437
29	.05211	.05294	.05377	.05460	.05545
28	.05329	.05411	.05494	.05577	.05660
27	.05456	.05538	.05620	.05702	.05785
26	.05594	.05675	.05756	.05838	.05921
25	.05743	.05823	.05904	.05985	.06067
24	.05905	.05985	.06065	.06146	.06227
23	.06081	.06161	.06241	.06321	.06402
22	.06275	.06354	.06433	.06513	.06593
21	.06487	.06566	.06644	.06724	.06804
20	.06722	.06800	.06878	.06957	.07036
19	.06981	.07059	.07137	.07215	.07294
18	.07271	.07348	.07425	.07503	.07582
17	.07595	.07672	.07749	.07826	.07904
16	.07961	.08037	.08114	.08191	.08268
15	.08377	.08453	.08529	.08606	.08683
14	.08853	.08928	.09004	.09080	.09157
13	.09403	.09478	.09554	.09630	.09706
12	.10046	.10121	.10197	.10272	.10348
11	.10808	.10883	.10958	.11033	.11109
10	.11723	.11798	.11873	.11949	.12024
9	.12843	.12918	.12994	.13069	.13145
8	.14246	.14321	.14396	.14472	.14548
7	.16051	.16126	.16202	.16278	.16354
6	.18460	.18536	.18613	.18690	.18767
5	.21835	.21913	.21992	.22070	.22148
4	.26903	.26983	.27064	.27144	.27225
3	.35353	.35438	.35523	.35608	.35693
2	.52261	.52356	.52450	.52545	.52640
1	1.03000	1.03125	1.03250	1.03375	1.03500

TABLE I

(Continued)

Leasehold Term Remaining	5¼%	5⅜%	5½%	4%
51	.04329	.04427	.04526	.04626
50	.04360	.04457	.04556	.04655
49	.04392	.04489	.04587	.04686
48	.04426	.04523	.04620	.04718
47	.04462	.04558	.04655	.04752
46	.04500	.04595	.04691	.04788
45	.04539	.04634	.04730	.04826
44	.04581	.04675	.04771	.04866
43	.04625	.04719	.04814	.04909
42	.04672	.04765	.04859	.04954
41	.04722	.04814	.04908	.05002
40	.04774	.04866	.04959	.05052
39	.04829	.04921	.05013	.05106
38	.04888	.04979	.05071	.05163
37	.04951	.05041	.05132	.05224
36	.05017	.05107	.05198	.05289
35	.05088	.05177	.05267	.05358
34	.05164	.05252	.05342	.05431
33	.05244	.05332	.05421	.05510
32	.05331	.05418	.05506	.05595
31	.05423	.05510	.05597	.05686
30	.05523	.05609	.05696	.05783
29	.05629	.05715	.05801	.05888
28	.05745	.05830	.05915	.06001
27	.05869	.05953	.06038	.06124
26	.06004	.06087	.06172	.06257
25	.06150	.06233	.06317	.06401
24	.06309	.06392	.06475	.06559
23	.06483	.06565	.06648	.06731
22	.06674	.06756	.06837	.06920
21	.06884	.06965	.07046	.07128
20	.07116	.07196	.07277	.07358
19	.07373	.07453	.07533	.07614
18	.07660	.07740	.07819	.07899
17	.07983	.08061	.08140	.08220
16	.08346	.08424	.08503	.08582
15	.08760	.08838	.08916	.08994
14	.09234	.09311	.09389	.09467
13	.09783	.09860	.09937	.10014
12	.10425	.10501	.10578	.10655
11	.11185	.11262	.11338	.11415
10	.12100	.12176	.12252	.12329
9	.13220	.13297	.13373	.13449
8	.14624	.14700	.14776	.14853
7	.16431	.16507	.16584	.16661
6	.18844	.18921	.18999	.19076
5	.22227	.22305	.22384	.22463
4	.27306	.27387	.27468	.27549
3	.35779	.35864	.35949	.36035
2	.52735	.52830	.52925	.53020
1	1.03625	1.03750	1.03875	1.04000

TABLE I

(Continued)

Leasehold Term Remaining	4¼%	4⅛%	4⅛%	4¼%
51	.04726	.04828	.04930	.05033
50	.04735	.04836	.04938	.05060
49	.04785	.04886	.04987	.05089
48	.04817	.04917	.05017	.05119
47	.04851	.04950	.05050	.05151
46	.04886	.04985	.05084	.05184
45	.04924	.05022	.05121	.05220
44	.04963	.05061	.05159	.05258
43	.05005	.05102	.05200	.05298
42	.05050	.05146	.05243	.05341
41	.05097	.05192	.05289	.05386
40	.05147	.05242	.05338	.05434
39	.05200	.05294	.05390	.05486
38	.05256	.05350	.05445	.05540
37	.05316	.05410	.05504	.05598
36	.05381	.05473	.05567	.05661
35	.05449	.05541	.05634	.05727
34	.05522	.05613	.05705	.05798
33	.05600	.05691	.05782	.05874
32	.05684	.05774	.05865	.05956
31	.05774	.05864	.05954	.06044
30	.05871	.05960	.06049	.06139
29	.05975	.06063	.06152	.06241
28	.06088	.06175	.06263	.06352
27	.06210	.06297	.06384	.06472
26	.06342	.06428	.06515	.06602
25	.06486	.06571	.06657	.06744
24	.06643	.06728	.06813	.06899
23	.06814	.06899	.06983	.07068
22	.07003	.07086	.07170	.07255
21	.07210	.07293	.07376	.07460
20	.07440	.07522	.07605	.07688
19	.07695	.07776	.07858	.07941
18	.07980	.08061	.08142	.08224
17	.08300	.08380	.08461	.08542
16	.08661	.08741	.08821	.08902
15	.09073	.09152	.09232	.09311
14	.09545	.09624	.09703	.09782
13	.10092	.10170	.10249	.10328
12	.10733	.10810	.10888	.10967
11	.11492	.11569	.11647	.11725
10	.12406	.12483	.12560	.12638
9	.13526	.13603	.13680	.13757
8	.14930	.15006	.15084	.15161
7	.16738	.16815	.16893	.16970
6	.19154	.19232	.19310	.19388
5	.22542	.22621	.22700	.22779
4	.27630	.27712	.27793	.27874
3	.36120	.36206	.36292	.36377
2	.53115	.53210	.53305	.53400
1	1.04125	1.04250	1.04375	1.04500

If the current interest rate established for a current year is outside of the 2½-4½% range, then the equal annual factor for such year ($\frac{1}{a\ \overline{N}|}$) can be computed by the following formula:

$$\frac{1}{a\ \overline{N}|} = \frac{i}{1 - v^N}$$; where

N = Leasehold Term Remaining from January 1 of the current year;

i = Current interest rate established for that year; and

$$v = \frac{1}{1 + i}$$

The equal annual factors appearing in the foregoing table were computed by the application of this formula. These factors shall be subject to verification each year.

TABLE II

INSTRUCTIONS: Determine the current interest rate established for the current year. "Leasehold Term Remaining" is the unexpired term of the lease from January 1 of the current year. The appropriate replacement factor to be applied to the value of the plant in service as of the beginning of that year is shown under the rate of current interest established for that year on the line corresponding to the "Leasehold Term Remaining."

TABLE II

Factors for Capital Replacement Component of Imputed Debt Service

Leasehold Term Remaining	Replacement Rate	Replacement Factor Under "Current Interest" Rates of: 2½%	2¾%	2¼%
51	.00572	.03361	.03350	.03339
50	.00756	.03458	.03450	.03441
49	.00963	.03554	.03547	.03541
48	.01191	.03646	.03642	.03637
47	.01437	.03735	.03732	.03729
46	.01697	.03818	.03817	.03816
45	.01970	.03895	.03896	.03897
44	.02250	.03966	.03968	.03971
43	.02534	.04030	.04033	.04037
42	.02817	.04085	.04090	.04095
41	.03094	.04132	.04138	.04144
40	.03361	.04170	.04177	.04184
39	.03613	.04200	.04207	.04215
38	.03846	.04220	.04228	.04236
37	.04055	.04232	.04240	.04249
36	.04238	.04235	.04244	.04252
35	.04390	.04230	.04239	.04248
34	.04511	.04218	.04227	.04236
33	.04599	.04200	.04209	.04217
32	.04654	.04177	.04185	.04193
31	.04677	.04149	.04157	.04165
30	.04670	.04118	.04125	.04133
29	.04636	.04085	.04092	.04099
28	.04578	.04052	.04058	.04065
27	.04500	.04019	.04025	.04031
26	.04408	.03988	.03993	.03999
25	.04305	.03959	.03964	.03969
24	.04198	.03934	.03938	.03943
23	.04091	.03912	.03917	.03921
22	.03988	.03895	.03900	.03904
21	.03894	.03884	.03888	.03892
20	.03811	.03877	.03881	.03885
19	.03742	.03875	.03878	.03882
18	.03688	.03877	.03881	.03885
17	.03651	.03884	.03888	.03892
16	.03629	.03895	.03899	.03903
15	.03623	.03909	.03913	.03917
14	.03630	.03926	.03930	.03934
13	.03649	.03945	.03949	.03953
12	.03677	.03965	.03969	.03974
11	.03713	.03986	.03990	.03995
10	.03753	.04006	.04011	.04015
9	.03795	.04026	.04031	.04036
8	.03838	.04045	.04050	.04055
7	.03879	.04063	.04067	.04072
6	.03917	.04078	.04083	.04088
5	.03950	.04092	.04097	.04102
4	.03977	.04104	.04109	.04114
3	.03999	.04113	.04118	.04123
2	.04015	.04120	.04125	.04130
1	.04025	.04125	.04130	.04135

TABLE II

(Continued)

Leasehold Term Remaining	2¼%	3%	3¼%	3½%	3¾%
51	.03328	.03317	.03306	.03295	.03283
50	.03432	.03423	.03414	.03405	.03395
49	.03534	.03527	.03520	.03512	.03505
48	.03632	.03627	.03622	.03617	.03611
47	.03726	.03723	.03720	.03717	.03713
46	.03815	.03814	.03812	.03811	.03809
45	.03897	.03898	.03898	.03898	.03899
44	.03973	.03975	.03977	.03979	.03981
43	.04040	.04044	.04047	.04051	.04054
42	.04100	.04104	.04109	.04114	.04118
41	.04150	.04156	.04162	.04167	.04173
40	.04191	.04198	.04204	.04211	.04218
39	.04222	.04230	.04237	.04245	.04252
38	.04244	.04253	.04261	.04269	.04277
37	.04257	.04266	.04274	.04283	.04291
36	.04261	.04270	.04278	.04287	.04296
35	.04257	.04265	.04274	.04283	.04292
34	.04244	.04253	.04262	.04271	.04279
33	.04226	.04234	.04243	.04251	.04260
32	.04201	.04210	.04218	.04226	.04235
31	.04172	.04180	.04188	.04196	.04204
30	.04140	.04148	.04155	.04163	.04170
29	.04106	.04113	.04120	.04127	.04135
28	.04072	.04078	.04085	.04091	.04098
27	.04037	.04043	.04049	.04056	.04062
26	.04005	.04010	.04016	.04022	.04027
25	.03975	.03980	.03985	.03990	.03996
24	.03948	.03953	.03958	.03963	.03968
23	.03926	.03930	.03935	.03940	.03944
22	.03908	.03913	.03917	.03921	.03926
21	.03896	.03900	.03904	.03908	.03912
20	.03888	.03892	.03896	.03900	.03904
19	.03886	.03890	.03894	.03898	.03902
18	.03889	.03893	.03897	.03900	.03904
17	.03896	.03900	.03904	.03908	.03911
16	.03907	.03911	.03915	.03919	.03923
15	.03921	.03925	.03929	.03933	.03937
14	.03939	.03943	.03947	.03951	.03955
13	.03958	.03962	.03966	.03970	.03975
12	.03978	.03982	.03987	.03991	.03995
11	.03999	.04003	.04008	.04012	.04017
10	.04020	.04024	.04029	.04034	.04038
9	.04040	.04045	.04050	.04054	.04059
8	.04059	.04064	.04069	.04074	.04078
7	.04077	.04082	.04087	.04092	.04096
6	.04093	.04098	.04103	.04108	.04113
5	.04107	.04112	.04117	.04122	.04127
4	.04119	.04124	.04129	.04134	.04138
3	.04128	.04133	.04138	.04143	.04148
2	.04135	.04140	.04145	.04150	.04155
1	.04140	.04145	.04150	.04155	.04160

TABLE II

(Continued)

Leasehold Term Remaining	5¼%	5⅜%	5½%	5⅝%
51	.03272	.03260	.03248	.03237
50	.03386	.03376	.03367	.03357
49	.03498	.03490	.03483	.03475
48	.03606	.03601	.03595	.03589
47	.03710	.03706	.03703	.03699
46	.03808	.03806	.03804	.03802
45	.03899	.03899	.03899	.03899
44	.03982	.03984	.03986	.03987
43	.04057	.04060	.04064	.04067
42	.04123	.04127	.04132	.04136
41	.04179	.04185	.04190	.04196
40	.04225	.04231	.04238	.04244
39	.04260	.04267	.04275	.04282
38	.04285	.04293	.04301	.04309
37	.04300	.04308	.04317	.04325
36	.04305	.04313	.04322	.04331
35	.04301	.04309	.04318	.04327
34	.04288	.04297	.04306	.04315
33	.04269	.04277	.04286	.04295
32	.04243	.04251	.04260	.04268
31	.04212	.04220	.04228	.04236
30	.04178	.04186	.04193	.04201
29	.04142	.04149	.04156	.04163
28	.04105	.04111	.04118	.04125
27	.04068	.04074	.04080	.04086
26	.04033	.04039	.04044	.04050
25	.04001	.04006	.04012	.04017
24	.03973	.03977	.03982	.03987
23	.03949	.03953	.03958	.03962
22	.03930	.03934	.03939	.03943
21	.03916	.03920	.03925	.03929
20	.03908	.03912	.03916	.03920
19	.03906	.03910	.03913	.03917
18	.03908	.03912	.03916	.03920
17	.03915	.03919	.03923	.03927
16	.03927	.03931	.03935	.03938
15	.03941	.03945	.03949	.03953
14	.03959	.03963	.03967	.03971
13	.03979	.03983	.03987	.03991
12	.04000	.04004	.04008	.04013
11	.04021	.04026	.04030	.04035
10	.04043	.04047	.04052	.04056
9	.04064	.04068	.04073	.04077
8	.04083	.04088	.04093	.04097
7	.04101	.04106	.04111	.04116
6	.04117	.04122	.04127	.04132
5	.04132	.04137	.04141	.04146
4	.04143	.04148	.04153	.04158
3	.04153	.04158	.04163	.04168
2	.04160	.04165	.04170	.04175
1	.04166	.04171	.04176	.04181

TABLE II

(Continued)

Leasehold Term Remaining	4%	4¼%	4½%	4¾%	5%
51	.03225	.03213	.03201	.03189	.03177
50	.03347	.03337	.03328	.03317	.03307
49	.03457	.03459	.03452	.03444	.03436
48	.03584	.03578	.03572	.03566	.03560
47	.03695	.03691	.03687	.03683	.03679
46	.03800	.03798	.03796	.03794	.03792
45	.03899	.03898	.03898	.03898	.03897
44	.03989	.03990	.03991	.03993	.03994
43	.04070	.04073	.04075	.04078	.04081
42	.04141	.04145	.04149	.04153	.04158
41	.04201	.04207	.04212	.04218	.04223
40	.04251	.04257	.04264	.04270	.04277
39	.04289	.04297	.04304	.04311	.04319
38	.04317	.04325	.04333	.04341	.04349
37	.04334	.04342	.04350	.04359	.04367
36	.04340	.04348	.04357	.04366	.04375
35	.04336	.04345	.04354	.04363	.04371
34	.04324	.04332	.04341	.04350	.04359
33	.04303	.04312	.04321	.04329	.04338
32	.04276	.04285	.04293	.04302	.04310
31	.04244	.04252	.04261	.04269	.04277
30	.04209	.04216	.04224	.04232	.04239
29	.04170	.04178	.04185	.04192	.04199
28	.04131	.04138	.04145	.04151	.04158
27	.04093	.04099	.04105	.04111	.04118
26	.04056	.04062	.04068	.04073	.04079
25	.04022	.04028	.04033	.04038	.04044
24	.03992	.03997	.04002	.04007	.04012
23	.03967	.03972	.03976	.03981	.03986
22	.03947	.03952	.03956	.03960	.03965
21	.03933	.03937	.03941	.03945	.03950
20	.03924	.03928	.03932	.03936	.03940
19	.03921	.03925	.03929	.03933	.03937
18	.03924	.03927	.03931	.03935	.03939
17	.03931	.03935	.03939	.03942	.03946
16	.03942	.03946	.03950	.03954	.03958
15	.03957	.03961	.03965	.03969	.03973
14	.03975	.03980	.03984	.03988	.03992
13	.03996	.04000	.04004	.04008	.04012
12	.04017	.04021	.04026	.04030	.04034
11	.04039	.04043	.04048	.04052	.04057
10	.04061	.04065	.04070	.04075	.04079
9	.04082	.04087	.04091	.04096	.04101
8	.04102	.04107	.04112	.04116	.04121
7	.04121	.04125	.04130	.04135	.04140
6	.04137	.04142	.04147	.04152	.04157
5	.04151	.04156	.04161	.04166	.04171
4	.04163	.04168	.04173	.04178	.04183
3	.04173	.04178	.04183	.04188	.04193
2	.04180	.04185	.04190	.04196	.04201
1	.04186	.04191	.04196	.04201	.04206

If the current interest rate established for a current year is outside of the 2½-4½% range, then the replacement factor for such year (Fy) can be computed by the following formula:

$$F_y = \left[\sum_{j=y}^{j=M} (R_j)(v)^{(j-y)}\right]\left[\frac{i}{1-v^{(M-y+1)}}\right]$$; where

y = Current year of lease (For example, January 1, 1965 through December 31, 1965 = 1, etc.);

i = Current interest rate established for that year;

Rj = Replacement rate for that year (The replacement rate for a current year is the replacement rate shown alongside the "Leasehold Term Remaining" figure measured from January 1 of any such year. For example, the replacement rate for 1965 = .00572);

M = 51; and

$$v = \frac{1}{1+i}$$

The replacement factors appearing in the foregoing table were computed by the application of this formula. These factors shall be subject to verification each year.

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

On the 18th day of February, 1982, before me personally came DAVID N. DINKINS, with whom I am personally acquainted, and known to me to be the the City Clerk of THE CITY OF NEW YORK, who, being by me duly sworn did depose and say that he resides at 1 Ex. 1, New York, New York 10032; that he is the City Clerk of THE CITY OF NEW YORK, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Estimate, and that he signed his name thereto as City Clerk by like authority; and further that he knows and is acquainted with KAREN N. GERARD and knows her to be the person described in and who as Deputy Mayor of THE CITY OF NEW YORK executed the said instrument; that he saw her subscribe and execute the same, and that she acknowledged to him, the said DAVID N. DINKINS, that she executed the same, and he, the said DAVID N. DINKINS thereupon subscribed his name thereto.

Tillie Zmurko

TILLIE ZMURKO
COMMISSIONER OF DEEDS
CITY OF NEW YORK NO. [illegible]
Certificate [illegible]
Commission Expires 12/1/83

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

On this 18TH day of FEBRUARY, 1982, before me personally came and appeared ROBERT F. BENNETT, to me known, who being by me duly sworn, did depose and say that he resides at Ex. 1 New Jersey 07087; that he is the Assistant [illegible]ctive Director of 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, described in and which executed the foregoing instrument; that he knows the seal of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY aforesaid; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Commissioners of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY and that he signed his name thereto by like order.

Cecilia M. Healy

CECILIA M. HEALY
Notary Public, State of New York
No. 43-4706277 Richmond County
Certificate filed in New York County
Commission Expires March 30, 1983

CERTIFICATE OF AMERICAN AIRLINES, INC.

The undersigned, Leslie M. Benners, certifies that she is the Managing Director - Corporate Finance and Banking of American Airlines, Inc., a Delaware corporation (the "Company"), and that she is authorized to execute this Certificate on behalf of the Company, and further certifies that attached hereto as Exhibit A is a true copy of the Agreement of Lease between the Company and The Port Authority of New York and New Jersey entered into as of August 1, 1976, and of all material amendments and supplements thereto in the files of the Company of which I have knowledge based solely on a review of the files of the Company conducted by an employee in the Corporate Real Estate Department of the Company, of the Amended and Restated Lease dated as of December 22, 2000 and of the First Supplemental Agreement dated as of July 31, 2002.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be duly executed this 31st day of July, 2002.

Leslie M. Benners
Managing Director - Corporate
Finance and Banking

AMENDED AND RESTATED
LEASE AYB-085R

JOHN F. KENNEDY INTERNATIONAL AIRPORT

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY

AND

AMERICAN AIRLINES, INC.
(The Lessee)

THE PORT AUTHORITY OF NY & NJ

JOHN F. KENNEDY INTERNATIONAL AIRPORT
SOUTH SERVICE ROAD, BUILDING #14
JAMAICA, NY 11430

(718) 244-3500

January 2, 2001

RECEIVED

CORPORATE REAL ESTATE

Mr. Doug Hope
Sr. Real Estate Counsel
American Airlines, Inc
4333 Amon Carter Boulevard
MD 5317
Fort Worth, TX 76155

SUBJECT: AMERICAN AIRLINES INC., AMENDED AND RESTATED LEASE AYB-085R

Dear Doug:

Enclosed please find a fully executed copy of the subject lease between the Port Authority and American Airlines, Inc. covering Terminals 8 and 9 at John F. Kennedy International Airport.

Pursuant to the instructions outlined in Ken Lemke's December 22, 2000 letter, I inserted revised pages 56 thru 58, 60 thru 62 and 70 thru 72 into the documents.

If you have any questions concerning this matter I can be reached at (718) 244-3651.

Sincerely,

Thomas P. Maher
Manager, Lease Operations
Properties & Commercial Development
John F. Kennedy International Airport

TPM/sj

cc: Gary F. Kennedy

AmericanAirlines®

Via Federal Express
3 PKGS.

December 22, 2000

Mr. Thomas P. Maher
Manager, Lease Operations
Port Authority of NY & NJ
JFK International Airport
Bldg. 14, 2nd Floor
Jamaica, NY 11430

Re: JFK American Airlines, Inc. Amended and Restated Agreement of Lease
AYB-085

Dear Tom:

I am pleased to return to you three (3) copies of the above referenced document that have been executed on behalf of American.

As discussed today by phone, we were unable to satisfactorily insert revised pages 56, 57, 58, 60, 61, 62, 70, 71 and 72 into the documents. Therefore, we are returning the signed documents with the understanding that you will have the revised pages inserted in the documents and return one (1) complete copy for our records.

We appreciate your kind cooperation in the completion of this matter.

Sincerely,

Kenneth R. Lemke
Senior Real Estate Counsel

AMERICAN AIRLINES, INC.
LEASE AYB-085R

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THIS AGREEMENT SHALL NOT BE BINDING UPON
THE PORT AUTHORITY UNTIL DULY EXECUTED BY
AN EXECUTIVE OFFICER THEREOF AND DELIVERED
TO THE LESSEE BY AN AUTHORIZED
REPRESENTATIVE OF THE PORT AUTHORITY

Port Authority Lease No. AYB-085R

AMENDED AND RESTATED AGREEMENT OF LEASE

THIS AMENDED AND RESTATED AGREEMENT OF LEASE, made as of the 22nd day of December, 2000 (which date is hereinafter called the "Effective Date") by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority"), a body corporate and politic, established by Compact between the States of New Jersey and New York with the consent of the Congress of the United States of America, and having an office at One World Trade Center, in the Borough of Manhattan, City, County and State of New York, and AMERICAN AIRLINES, INC. (hereinafter called the "Lessee"), a corporation of the State of Delaware with an office and place of business at MD 5317, 4333 Amon Carter Blvd., Fort Worth, Texas 76155 whose representative is its Vice President, Corporate Real Estate.

WITNESSETH, That:

WHEREAS, pursuant to Lease AYB-085 the Port Authority leased to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as described in Lease AYB-085; and

WHEREAS, the Port Authority and the Lessee desire to amend and supplement Lease AYB-085 as hereinafter set forth;

NOW, THEREFORE, for and in consideration of the rents, covenants and mutual agreements hereinafter contained, the Port Authority and the Lessee hereby agree effective as of the dates hereinafter set forth that Lease AYB-085 shall be amended and supplemented as set forth in Section 2B(p) and Section 59(j) below and that from and after the Effective Date Lease AYB-085 shall be amended and supplemented to read as set forth in and in accordance with this Amended and Restated Agreement of Lease as follows:

Section 1. Letting

(a) Without limiting or affecting the letting of the Lease AYB-085 Premises by the Port Authority to the Lessee and the hiring and taking thereof by the Lessee from the Port Authority under Lease AYB-085, the Port Authority hereby acknowledges that it has heretofore let to the Lessee the Lease AYB-085 Premises pursuant to Lease AYB-085 and hereby agrees and restates that it continues to let the Lease AYB-085 Premises to the Lessee pursuant to the same letting thereof which commenced under Lease AYB-085 (without creating a new estate or other new interest in the Lease AYB-085 Premises) pursuant to and in accordance with the Lease and the Lessee hereby acknowledges that it has heretofore hired and taken the Lease AYB-085 Premises from the Port Authority pursuant to Lease AYB-085 and hereby agrees and restates that it continues to hire and take from the Port Authority the Lease AYB-085 Premises pursuant to and in accordance with the Lease.

(b) Effective at 12:01 o'clock A.M. on the Effective Date in addition to the Lease AYB-085 Premises heretofore let to the Lessee under the Lease, the letting of which shall continue in full force and effect, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority upon all the terms, provisions, conditions and agreements of this Lease at the Airport in the County of Queens, City and State of New York the land shown in stippled-diagonal hatching on the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 1.1" (which exhibit is hereinafter called "Exhibit 1.1" and which land is hereinafter referred to as the "Additional Premises"), together with the fixtures, improvements and other property of the Port Authority located or to be located therein, thereunder or thereon, and all structures, improvements, additions, buildings and facilities, located, constructed or installed or to be located, constructed or installed therein, thereunder or thereon, all of the foregoing to be and become a part of the Premises let under this Lease, subject to all of the terms, provisions, covenants and conditions of this Lease, for and during the balance of the term of the letting under this Lease subject to earlier termination as provided in this Lease.

(c) (1) Effective at 12:01 o'clock A.M. on the Effective Date (which date and hour are hereinafter in this paragraph collectively called the "Surrender Date") the Lessee has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, those portions of the Lease AYB-085 Premises shown in crosshatching on Exhibit 1.1 (such portions of the Premises being hereinafter called the "Surrendered Premises") and the term of years with respect thereto under the Lease yet to come and has given, granted, surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the Surrendered Premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the Surrender Date, with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on the the Surrender Date, but the Lease and the letting thereunder shall continue in full force and effect as to the

remainder of the Premises under the Lease and in accordance with all the terms and provisions thereof.

TO HAVE AND TO HOLD the same unto the Port Authority, its successors and assigns forever.

(2) The Lessee hereby covenants on behalf of itself, its successors and assigns that (a) it has not done or suffered and will not do or suffer anything whereby the Surrendered Premises or the Lessee's leasehold therein, has been or shall be encumbered as of the the Surrender Date in any way whatsoever; (b) the Lessee is and will remain until the Surrender Date the sole and absolute owner of the leasehold estate in the Surrendered Premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the Surrender Date free and clear of all liens and encumbrances of whatsoever nature; and (c) the Lessee has full right and power to make this Agreement.

(3) All promises, covenants, agreements and obligations of the Lessee with respect to the Surrendered Premises which under the provisions thereof would have matured upon the date originally fixed in the Lease for the expiration of the term thereof, or upon the termination of the Lease prior to the said date, or within a stated period after expiration or termination shall, notwithstanding such provisions, mature upon the Surrender Date and shall survive the execution and delivery of this Amended and Restated Agreement of Lease.

(4) The Lessee has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the Surrendered Premises. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the Surrendered Premises for that portion of the term subsequent to the Surrender Date; it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to the Surrender Date, or for breach of any other obligation on the Lessee's part to be performed under the Lease for or during such period or periods or maturing pursuant to the foregoing paragraph, nor shall anything herein be deemed to release the Lessee from any liability for rentals or other charges that may be due or become due to the Port Authority for any other portion of the Premises or for breach of any other obligation on the Lessee's part to be performed under the Lease.

(d) Except to the extent required for the performance of any of the obligations of the Lessee hereunder nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the Premises in excess of the height elevation limitations

described in the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 1.2".

(e) The parties acknowledge that the Premises constitute non-residential real property.

(f) The parties acknowledge and agree that prior to the Effective Date the Lease shall read as set forth in Lease AYB-085, including without limitation as amended and supplemented by this Amended and Restated Agreement of Lease pursuant to Sections 2B and 59 hereof effective as of the dates set forth therein and that from and after the Effective Date the Lease shall be amended and supplemented to read as set forth in this Amended and Restated Agreement of Lease. Further, it is hereby understood and agreed that, except as set forth in Sections 2B and 59 hereof, neither this Amended and Restated Agreement of Lease nor the execution thereof by the parties hereto shall affect or otherwise alter or change or be deemed to have affected or otherwise altered or changed any of the terms, covenants, provisions and agreements of Lease AYB-085 or the effectiveness thereof prior to the Effective Date nor have relieved or released the Lessee from any of its obligations under Lease AYB-085 and all the provisions, terms, covenants and conditions of Lease AYB-085 as amended and supplemented by this Amended and Restated Agreement of Lease shall remain in full force and effect.

(g) The Port Authority has not made and continues not to make any representation as to title to any of the trade fixtures or other property in the Lease AYB-085 Premises including, without limitation, passenger loading bridges and baggage conveyor systems and carrousels, or as to the right of the Lessee to possess or use the same. The matter of title and related issues as to the foregoing specified items have been and may be presently in dispute, claims having been asserted as to one or more of said items by United Airlines, Inc. and Northwest Airlines, Inc. and the Port Authority shall have no liability or obligation to the Lessee with respect to such or other claims or potential claims, the resolution thereof or subject property. Use or possession thereof by the Lessee shall be at the risk of the Lessee and the Lessee shall indemnify and save harmless the Port Authority from any claim or liability arising as a result of such use or possession. The obligations of the Lessee and the rights and discretion of the Port Authority under the Lease shall not be diminished or otherwise affected by reason of any such claim whatsoever or the result of any prosecution thereof by any claimant.

(h) The parties hereto acknowledge on January 1, 1993, Persons other than the Lessee were in use and occupancy of portions of the Lease AYB-085 Premises (such Persons being hereinafter called the "Subusers"). The Lessee hereby acknowledges that it agreed to take such portions of the Lease AYB-085 Premises as encumbered by the occupancy and use of the Subusers. It is agreed that the Lessee is the landlord of the Subusers and has and shall continue to have all the rights, responsibilities, obligations, and liabilities with respect thereto. Further, the Port Authority has heretofore pursuant to Lease AYB-085 assigned to the Lessee and hereby restates its assignment to the Lessee all of its rights, if any, as landlord of the Subusers, including

without limitation the right to terminate the rights of the Subusers with respect to the Premises and to eject or otherwise remove the Subusers from the Premises.

(i) It is recognized that the Lessee has entered into various agreements with subtenants, licensees and other Persons covering the occupancy of the space or providing for the furnishing of services in the Premises pursuant to the provisions of the Surrendered Lease and Lease AYB-085 and that the Port Authority has approved or consented to the same, all of the foregoing as to which Port Authority approval or consent has been given and which consents continue in full force and effect, being hereinafter called the "Lessee's Use Agreements". The Port Authority has no objection to the continuance in effect under the Lease of all of the Lessee's Use Agreements.

Section 2. Construction by the Lessee

It is hereby agreed that all the terms and conditions of Section 2 of Lease AYB-085 are hereby incorporated by reference and shall have the same force and effect as if set forth in this Amended and Restated Agreement of Lease in full, provided, however, it is hereby agreed and understood that from and after the Effective Date as defined in this Amended and Restated Agreement that notwithstanding the foregoing and the terms and conditions of said Section 2 the Lessee shall have no obligation or right to perform the construction work as defined in said Section 2 but that all the terms and conditions of said Section 2, including without limitation those pertaining to indemnification, assumption of risks and insurance, shall remain in full force and effect with respect to the construction work which has been performed by the Lessee prior to the Effective Date. Further, it is hereby understood and agreed that all of the terms and conditions of said Section 2, including without limitation the defined terms therein, shall be read, construed and interpreted in accordance with Lease AYB-085.

Section 2A. Additional Construction by the Lessee

It is hereby agreed that all the terms and conditions of Section 2A of Lease AYB-085 are hereby incorporated by reference and shall have the same force and effect as if set forth in this Amended and Restated Agreement of Lease in full, provided, however, it is hereby agreed and understood that from and after the Effective Date as defined in this Amended and Restated Agreement that notwithstanding the foregoing and the terms and conditions of said Section 2A the Lessee shall have no obligation or right to perform the additional construction work as defined in said Section 2A but that all the terms and conditions of said Section 2A, including without limitation those pertaining to indemnification, assumption of risks and insurance, shall remain in full force and effect with respect to the additional construction work which has been performed by the Lessee prior to the Effective Date. Further, it is hereby understood and agreed that all of the terms and conditions of said Section 2A, including without limitation the defined terms therein, shall be read, construed and interpreted in accordance with Lease AYB-085.

Section 2B. Redevelopment of the Premises and Performance of the ACO Work by the Lessee

(a) Lessee's Comprehensive Plan for the Redevelopment Work

(1) The Lessee shall, prior to its submission to the Port Authority of the plans and specifications for the Redevelopment Work, as hereinafter provided for and defined, submit to the Port Authority for its consent, the Lessee's comprehensive plan for the redevelopment of the Premises, including but not limited to renderings, layouts, locations, models, estimated commencement, milestone and completion dates, staging plans and preliminary functional plans for both the Passenger Terminal Work and Off-Premises Work as hereinafter defined; said comprehensive plan as approved by the Port Authority shall constitute the Lessee's "Comprehensive Plan" hereunder. The Lessee shall keep the Comprehensive Plan up to date and shall submit to the Port Authority for its approval all amendments, supplements or modifications thereto, which amendments, supplements or modifications shall not become effective until the same have been approved by the Port Authority.

(2) Without limiting the foregoing, the Lessee agrees that said Comprehensive Plan shall include the construction on and under the Premises of:

(i) A three (3) level main passenger terminal building (hereinafter called the "Main Terminal") and a two (2) level remote passenger terminal building (hereinafter called the "Remote Terminal") consisting of approximately 1.9 million total square feet of floor space for both buildings and all associated and related areas and facilities, including but not limited to, stairwells, stairways, escalators, elevators, and United States government inspection areas (as described in Section 74 hereof entitled "Federal Inspection");

(ii) Not less than fifty-five (55) aircraft loading and unloading gate positions of which at least thirty-five (35) are to accommodate wide-body aircraft and of which at least two (2) are to accommodate narrowbody aircraft, together with all associated and related areas and facilities including without limitation passenger boarding gate lounges;

(iii) All appropriate work for the construction of general utility and mechanical equipment rooms and spaces and crawl spaces within the Main Terminal and the Remote Terminal;

(iv) All appropriate work for the construction of the Concession Areas to be made available for consumer services as more fully described and set forth in Sections 79 through 89 hereof including without limitation the construction and installation of utility lines which are to serve the said Concession Areas;

(v) The construction and installation of all appropriate utility lines, pipes, mains, drains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, water, electrical, storm sewer, sanitary sewer, gas, communications, security, fire alarm, fire protection and other systems and facilities and including all necessary relocations, and all work necessary or required to tie the foregoing into existing access stubs, including but not limited to, all necessary valves, pipes, materials, lift stations, pumps and other equipment and accessories necessary to the use and operation of the heating, cooling, electrical, water, communications, and other utility systems which are to serve the Premises;

(vi) Subject to and in accordance with paragraph (q) of this Section, the construction and installation of additions and modifications to and the relocation of the underground fuel system including but not limited to additions and modifications to and relocation of the Distribution Portion of the System and of the Airline Terminal Portion of the System located within the Premises (as such terms are defined in Section 4.021 of the General Airport Agreement) and underground pipelines, fuel mains and stubs necessary or required to tie into the Distribution Portion of the System at the Airport to accommodate and serve the Premises and all aircraft gate positions located or to be located at the Premises together with all relocations, additions and modifications to the Distribution Portion of the System at the Airport;

(vii) (aa) To the extent permitted by KIAC, all work necessary or required to construct lateral mains to tie into the Central Terminal Area ring supply lines for hot water for heating and domestic use purposes only and chilled water for air conditioning purposes only, in accordance with the requirements and specifications as set forth in Section 41 hereof entitled "Hot Water and Chilled Water Requirements", provided, however, if KIAC does not so permit such work to be performed by the Lessee, such work shall be performed by KIAC or KIAC's contractors, as determined by KIAC, at the sole cost and expense of the Lessee;

(bb) The work specified in subparagraph (2)(vii)(aa) above, upon completion, will become a part of the Thermal Distribution System at the Airport and will become the property of the Port Authority or its designee and will not be part of the Premises;

(viii) All upper level and lower level roadways and all other necessary or appropriate ground and elevated roadways, ramps, sidewalks, vehicular service areas, vehicular staging areas and pedestrian circulation areas, together with all related and associated areas and facilities (the foregoing being herein sometimes called the "Premises Circulation Facilities");

(ix) All necessary or appropriate aircraft ramp and apron areas;

(x) All grading and paving of ground areas and appropriate landscaping together with all related and associated work including without limitation decorative paving of selected areas and landscaping and irrigation of unpaved areas;

(xi) The demolition of Building Nos. 56 and 57 and all other demolition and removal associated with the Redevelopment Work in accordance with applicable law, including without limitation all applicable Environmental Requirements, the foregoing to include without limitation all appropriate, required or necessary removal of all asbestos, lead and other Hazardous Substances and the handling, transporting and off-Airport disposal thereof (including, if required, disposal of asbestos in an off-Airport long-term asbestos-only disposal facility);

(xii) All taxiway access stubs, taxilanes and associated and related areas and facilities;

(xiii) The repair, restoration and reinstallation of all of the art fence entitled "Traveling by Air" located or formerly located on the Premises and the commissioning and installation of such additional art fencing at such locations identified by the Port Authority and in accordance with specifications to be provided by the Port Authority, and the installation of all necessary or required blast fences and other fencing including functional decorative fencing at locations identified by the Port Authority;

(xiv) All necessary or required work to conform to Port Authority frontage control requirements;

(xv) All necessary or required work to conform to Port Authority requirements for access to public parking areas including static and dynamic sign systems and traffic lights and other traffic control devices and systems as specified and required by the Port Authority;

(xvi) All necessary and required work to replace or relocate existing taxi dispatch booths (including without limitation telephones and radio transceiver and transponder receiving devices and other vehicle tracking and monitoring devices) and bus shelters at such locations as may be determined by the Port Authority with taxi dispatch booths and bus shelters of equal quality, features and amenities and to provide such additional like taxi dispatch booths and bus shelters as may be required to adequately serve the Premises;

(xvii) All of the following work required by or in connection with

the AirTrain:

(aa) All external Premises Circulation Facilities except for any elevated pedestrian connector; and

(bb) All interior vertical circulation areas, facilities and systems, including without limitation, escalators, elevators, stairs and passageways; and

(cc) All work to connect, extend, integrate, support and accept the AirTrain elevated pedestrian connector constructed by the Port Authority in consultation with the Lessee as provided in Section 62(f) hereof to the Main Terminal, including without limitation making the connection and integration water tight;

(xiii) All necessary and required work to provide canopies over all pedestrian waiting and crossing areas on the Premises, including without limitation, all ground transportation waiting, loading and unloading areas;

(xix) All necessary and required work to accommodate counter spaces for Ground Transportation Operators for use in accordance with Section 71 hereof entitled "Ground Transportation Services" at such locations as may be specified by the Port Authority as may reasonably be required for use as Consolidated Counters; and

(xx) All other appropriate or necessary work in connection with the foregoing clauses, including without limitation thereto, all borings, surveys, route marker signs, obstruction lights and material inspections and testing and also including all other tie-ins, temporary and otherwise, to utility lines and roadway access stubs.

All of the foregoing work set forth in this paragraph (a)(2) shall be constructed by the Lessee on the Premises and off the Premises where required and when constructed on the Premises shall be and become a part of the Premises under the Lease. All of the foregoing work and any other work which the Lessee includes in its comprehensive plan and which is consented to by the Port Authority and is to be constructed by the Lessee on the Premises (and off the Premises where required) is sometimes herein collectively referred to as the "Passenger Terminal Work."

(3) In addition to all the hereinabove mentioned, the Lessee shall include as part of the comprehensive plan submitted in accordance with paragraph (a)(1) hereof the construction of the following work which construction, however, shall not be part of the Premises under this Agreement. Said work shall include:

(i) New roadways and new Airport roads and all associated and related extensions, widenings, relocations and rehabilitation of existing Airport roads on the area shown in the shaded area on the exhibit attached hereto, hereby make a part hereof and marked "Exhibit 2B.1" (which exhibit is hereinafter called "Exhibit 2B.1" and which area is hereinafter called "Area 1") to provide recirculation roadways to the existing parking lot and the proposed new Parking Garage (as defined in Section 90 hereof) and to widen the turning radius in the area shown in stipple on Exhibit 2B.1 and to connect to certain portions of the Premises Circulation Facilities, all of the foregoing to include, without limitation, all necessary or appropriate, ramps, sidewalks and other areas and facilities related to or associated therewith, such as but not limited to, all appropriate ground lighting, lines, pipes, drains, wires, cables, manholes and conduits and other facilities and structures, all landscaping improvements and the maintenance of temporary roads and signage; all of the foregoing being sometimes hereinafter collectively called the "Off-Premises Roads";

(ii) Relocation to a location as the Port Authority may reasonably designate of all or any utility lines, pipes, mains, drains, manholes, wires, cables, conduits and other facilities located on or under the Premises or Area 1 where the Redevelopment Work is or is to be performed or for which currently or in the future the operation, maintenance, replacement or repair thereof are or maybe affected by the Redevelopment Work or the performance thereof and are required to provide utility services to the other Central Terminal Area facilities, the foregoing to include without limitation mechanical, utility, water, electrical, storm sewer, sanitary sewer, gas, communications, security, fire alarm, fire protection and other systems and facilities including, but not limited to, all necessary valves, pipes, materials, lift stations, pumps and other equipment and accessories, provided, however, it is understood that the obligations of the Lessee under this subparagraph (3)(ii) shall terminate on the Redevelopment Work Completion Date;

(iii) The construction and installation of all appropriate utility lines, pipes, mains, drains, manholes, wires, cables, conduits, and other facilities located off the Premises required in connection with or relating to the mechanical, utility, water, electrical, storm sewer, sanitary sewer, gas, communications, security, fire alarm, fire protection, and other systems and facilities necessary to tie the Passenger Terminal Work and the Off-Premises Work into the service lines specified in subparagraph (ii) above, including, but not limited to, all necessary pipes, valves, materials, lift stations, pumps and other equipment and accessories located on, under or off the Premises;

(iv) Subject to and in accordance with paragraph (q) of this Section, the construction and installation of additions and modifications to and relocations of the underground fuel system, including but not limited to additions and modifications to

and relocations of the Distribution Portion of the System and the Airline Terminal Portion of the System located outside the Premises, if any, (as such terms are defined in Section 4.021 of the General Airport Agreement) and underground pipelines, fuel mains, and stubs necessary or required to tie into the Distribution Portion of the System at the Airport to accommodate and serve the Premises and all aircraft gate positions located or to be located at the Premises and the construction and installation of such additions and modifications to and relocations of the Distribution Portion of the System necessary or required by any changes to the Airline Terminal Portion of the System or the Distribution Portion of the System made by the Lessee, including but not limited to, transfer pumps, filter vessels and control systems associated with fuel lines T-403-1, T-403-2, T-403-3, T-408-1, T-408-2 and T-408-3;

(v) All appropriate, necessary or required demolition and removal work in accordance with applicable law, including without limitation, all applicable Environmental Requirements, the foregoing to include without limitation all appropriate, necessary or required removal of all asbestos, lead and other Hazardous Substances and the handling, transporting and off-Airport disposal thereof (including, if required, disposal of asbestos in an off-Airport long-term asbestos-only disposal facility);

(vi) All necessary or appropriate work in other areas of the Airport outside of the Premises directly impacted by the Redevelopment Work and required to be constructed in connection with other portions of the Redevelopment Work;

(xvii) All necessary or required work to conform to Port Authority frontage control requirements;

(xviii) All necessary or required work to conform to Port Authority requirements for access to public parking areas including static and dynamic sign systems and traffic lights and other traffic control devices and systems as specified and required by the Port Authority;

(ix) All necessary and required work to replace or relocate existing bus shelters at such locations as may be determined by the Port Authority with bus shelters of equal quality, features and amenities and to provide such additional like bus shelters as may be required to adequately serve the Premises;

(x) All grading and paving of ground areas and appropriate landscaping together with all related and associated work, including without limitation decorative paving of selected areas and landscaping and irrigation of the unpaved areas described in clause (i) above;

(xi) All necessary and required work to provide canopies over all pedestrian waiting and crossing areas constructed off of the Premises as part of the Redevelopment Work as hereinafter defined, including without limitation, all ground transportation waiting, loading and unloading areas;

(xii) The repair, restoration and reinstallation of all of the art fence, if any, entitled "Traveling by Air" located or formerly located on areas adjoining the Premises and the ommissioning and installation of such additional art fencing at such locations off the Premises as identified by the Port Authority and in accordance with specifications to be provided by the Port Authority, and the installation of all necessary or required blast fences and other fencing including functional decorative fencing at locations identified by the Port Authority;

(xiii) All necessary or appropriate work for the construction of aircraft taxiways and taxiway access stubs as shown in honeycomb markings on the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2B.2" and related equipment and accessories, including without limitation, signage, pavement markings, edge lights and lead-in lights; and

(xiv) All other appropriate or necessary work in connection with the foregoing clauses, including without limitation thereto, all borings, surveys, route marker signs, obstruction lights and material inspections and testing and also including all other tie-ins, temporary and otherwise, to utility lines and roadway access stubs.

All of the foregoing in this paragraph (a)(3) shall be constructed by the Lessee off the Premises and shall not be or become a part of the Premises under the Lease. All of the foregoing work, the Distribution Portion Work and the Satellite Portion Work (as such terms are defined in paragraph (q) of this Section) and any other work which the Lessee includes in its comprehensive plan and which is consented to by the Port Authority and is to be constructed by the Lessee off the Premises is hereinafter collectively referred to as the "Off-Premises Work".

(b) Obligation to Pay for the Performance of the Section 2B Work

(1) The Lessee agrees that the performance of the design and construction of the Passenger Terminal Work as described in paragraph (a)(2) and the performance of the design and construction of the Off-Premises Work as described in paragraph(a)(3) above, including without limitation any work that may also be ACO Work, shall be at the Lessee's sole cost and expense and shall be subject to and performed in accordance with all the terms, provisions and conditions of this Lease, such design and construction of both the Passenger Terminal Work and the Off-Premises Work shall, without limiting any other term or provision of this Lease, also be in conformance with design criteria as contained in the Port

Authority Tenant Construction Review Manual as the same may be amended from time to time (such design and construction of the Passenger Terminal Work and the Off-Premises Work being sometimes hereinafter collectively referred to as the "Redevelopment Work").

(2) The Lessee agrees that the performance of the design and construction of that portion of the ACO Work that is not a part of the Redevelopment Work, the foregoing to include without limitation that work which is solely remediation work such as but not limited to the work covered by alteration applications nos. Y-7100.04 and Y-7100.05, shall be at the Lessee's sole cost and expense and shall be subject to and performed in accordance with all the terms, provisions and conditions of this Lease and shall, without limiting any other term or provision of this Lease, also be in conformance with design criteria as contained in the Port Authority Tenant Construction Review Manual as the same may be amended from time to time (such design and construction of such portion of the ACO Work being hereinafter called the "Remediation Work" and the Remediation Work and the Redevelopment Work being hereinafter collectively referred to as the "Section 2B Work").

(c) Plans and Specifications

(1) Prior to the commencement of the Redevelopment Work, the Lessee shall submit to the Port Authority for the Port Authority's approval complete plans and specifications and all required supporting information including, but not limited to, drawings, reports, calculations and computer printouts of analysis therefor and prior to the commencement of the Remediation Work, the Lessee shall submit to the Port Authority for the Port Authority's approval complete plans and specifications and all required supporting information including, but not limited to, drawings, reports, calculations and computer printouts of analysis therefor. The Port Authority may refuse to grant approval with respect to the plans and specifications if, in its opinion, any of the proposed Section 2B Work as set forth in said plans and specifications (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) shall:

(i) Be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed, or

(ii) Not comply with the Port Authority's requirements for harmony of external architecture of similar existing or future improvements at the Airport, or

(iii) Not comply with the Port Authority's requirements with respect to external and interior building materials and finishes of similar existing or future improvements at the Airport, or

(iv) Not provide for sufficient clearances for taxiways, runways and apron areas, or

(v) Be designed for use for purposes other than those authorized under the Agreement, or

(vi) Set forth ground elevations or heights other than those prescribed by the Port Authority, or

(vii) Not provide adequate and proper roadways and pedestrian circulation areas, or

(viii) Not comply with the building height limitations in connection with sight line requirements between the existing control tower and the Public Aircraft Facilities at the Airport, or

(ix) Not be at locations or not be oriented in accordance with the Comprehensive Plan, or

(x) Not comply with the provisions of the Basic Lease, including without limiting the generality thereof, the provisions of Section 21 of the Basic Lease providing that the Port Authority will conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation to the extent that the Port Authority finds it practicable so to do, or

(xi) Permit aircraft to overhang the boundary of the Premises, except when entering or leaving the Premises, or

(xii) Be in violation or contravention of any other provisions and terms of the Lease, or

(xiii) Not comply with all applicable governmental laws, ordinances, enactments, resolutions, rules and orders, or

(xiv) Not comply with all applicable requirements of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New York, or

(xv) Not comply with the Port Authority's requirements with

respect to landscaping, or

(xvi) Not comply with the Port Authority's requirements and standards with respect to noise, air pollution, water pollution or other types of pollution, or

(xvii) Not comply with the construction limitations set forth in Exhibit 1.1, or

(xviii) Without limiting any other term or provision hereof, not comply with the Americans With Disabilities Act of 1990 and all federal rules, regulations and guidelines pertaining thereto, or

(xix) Not comply with the Port Authority's standard design details, or

(xx) Not comply with the Port Authority's plans and policies with respect to ground transportation and traffic control and frontage control within the Central Terminal Area of the Airport, or

(xxi) Not be coordinated in design, functional planning, construction or scheduling or staging with other Port Authority or tenant construction in the Central Terminal Area at the Airport including without limitation the Parking Garage, or with the Lessee's staging of the Redevelopment Work hereunder or other ongoing Airport construction projects, including without limitation the construction of the AirTrain.

(2) In addition to and without limiting the foregoing, with respect to the portion of the Redevelopment Work representing the Off-Premises Work, the Lessee's design thereof and the said plans and specifications shall be subject to the complete prior written approval of the Port Authority and the Lessee shall make all changes and modifications to the said design, plans and specifications as may be required or recommended by the Port Authority.

(d) Performance of the Section 2B Work

All the Section 2B Work shall be done in accordance with the following terms and conditions:

(1) (i) The Lessee hereby assumes the risk of loss or damage to all of the Section 2B Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority and others and the risk of personal injury and death to all Persons arising out of or in connection with the performance of the Section 2B Work. In the event of such

loss or damage, the Lessee shall forthwith repair, replace and make good the Section 2B Work and the property of the Port Authority without cost or expense to the Port Authority. The Lessee shall itself and shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third Persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Section 2B Work 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, all the foregoing to include without limitation all claims and demands arising out of or in connection with any Hazardous Substance and whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third Persons, or from acts of God or of the public enemy, or otherwise (including claims of the City of New York against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from affirmative wilful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the Section 2B Work, provided, however, that the Lessee shall not be required to indemnify the Port Authority where indemnity would be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York.

(ii) If so directed, the Lessee 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 it shall not, without obtaining express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, 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.

(2) (i) Prior to engaging or retaining an architect or architects for the Section 2B Work, the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. All the Section 2B Work shall be done in accordance with plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Section 2B Work. If the Lessee desires to proceed with the Section 2B Work, the Lessee shall redo and resubmit such plans and specifications until approval thereof by the Port Authority. All the Section 2B Work, including workmanship and materials, shall be of first class quality. The Lessee shall redo, replace or construct at its own cost and expense, any Section 2B Work not done in accordance with the approved plans and specifications, the terms, provisions and conditions of this Lease or any further requirements of the Port Authority.

(ii) The Lessee has advised the Port Authority that it intends to

expend not less than Eight Hundred Fifty Million Dollars and No Cents ($850,000,000.00) with respect to the Redevelopment Work and shall complete the Redevelopment Work no later than the day immediately preceding the seventh (7th) anniversary of the Effective Date.

(3) (i) Prior to entering into a contract for any part of the Section 2B Work, the Lessee shall submit to the Port Authority for its approval the names of the contractors to whom the Lessee proposes to award said contracts. The Port Authority shall have the right to disapprove any contractor who may be unacceptable to it. The Lessee shall include in all such contracts such provisions and conditions as may be reasonably required by the Port Authority. Without limiting the generality of the foregoing all of the Lessee's construction contracts shall provide as follows: "If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third Person which arises out of or in connection with the performance of the Contract or (ii) any claim (just or unjust) which arises out of or in connection with the Contract is made against the Lessee or (iii) any subcontractor under the Contract fails to pay any claims lawfully made against him by any materialman, subcontractor, workman or other third Persons which arise out of or in connection with the Contract or if in the Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payments have already been certified as due) such sums as the Lessee may deem amply to protect it against delay or loss or to assume the payment of just claims of third Persons, and to apply such sums in such manner as the Lessee 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 Lessee 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 Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise, or attempted exercise of, or omission to exercise such rights by the Lessee shall create any obligation of any kind to such materialmen, subcontractors, workmen or other third Persons. Until actual payment is made to the Contractor, his right to any amount to be paid under the Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the Lessee under this provision."

(ii) The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to the start of the Section 2B Work and in addition shall comply with all the terms and provisions of paragraph (e) with respect to the Off-Premises Work.

(4) The Lessee shall furnish or require its architect to furnish a full time resident engineer during the construction period. The Lessee shall require certification by a licensed engineer of all pile driving data and of all controlled concrete work and such other certifications as may be requested by the Port Authority from time to time. The Lessee shall

submit all certifications and logs to the Port Authority's Resident Engineer.

(5) The Lessee agrees to be solely responsible for any plans and specifications used by it and for any loss or damages resulting from the use thereof, notwithstanding the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by the Lessee or the incorporation therein of Port Authority requirements or recommendations, and notwithstanding any rights the Port Authority may have reserved to itself hereunder, the Port Authority shall have no liabilities or obligations of any kind to any contractors engaged by the Lessee or for any other matter in connection therewith and the Lessee hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any of the Section 2B Work pursuant to the contracts between the Lessee and its contractors. Any warranties contained in any construction contract entered into by the Lessee for the performance of the Section 2B Work hereunder shall be for the benefit of the Port Authority as well as the Lessee, and the contract shall so provide.

(6) The Port Authority shall have the right, through its duly designated representatives, to inspect the Section 2B Work and the plans and specifications thereof, at any and all reasonable times during the progress thereof and from time to time, in its discretion, to take samples and perform testing in any part of the Section 2B Work.

(7) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of "as built"drawings of the Section 2B Work on an electronic CADD data file on a CD Rom in a format to be designated by the Port Authority, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the Effective Date being hereby acknowledged by the Lessee) , and all engineering reports, engineering analysis, boring logs, survey information and engineering design calculations and operation and maintenance manuals in a comprehensive, coordinated package. The Lessee shall, during the term of the Lease, keep said digital electronic files of drawings and said electronic CADD data files current showing thereon any changes or modifications which may be made. (No changes or modifications shall be made without prior Port Authority consent.)

(8) The Lessee shall, if requested by the Port Authority, take all reasonable measures to prevent erosion of the soil and the blowing of sand during the performance of the Section 2B Work, including but not limited to the fencing of the Premises or portions thereof or other areas and the covering of open areas with asphaltic emulsion or similar materials as the Port Authority may direct.

(9) (i) Without limiting the generality of any other term or condition of this Lease, title to any soil, dirt, sand or other material on the Premises or the Airport excavated by the Lessee during the course of the Section 2B Work (all the foregoing being hereinafter called the "Excavated Material") and not used at the Premises shall vest in the Lessee upon the excavation thereof and all such Excavated Material shall be delivered and deposited by the Lessee at the Lessee's sole cost and expense to any location off the Airport in accordance with the terms and conditions of this Lease, including without limitation this Section 2B(d)(9) and all applicable Environmental Requirements. The entire proceeds, if any, of the sale or other disposition of the Excavated Material shall belong to the Lessee.

(ii) (aa) In addition to subparagraph (9)(i) above and subject to the limitation set forth in subparagraph (9)(ii)(bb) below, in its performance of the Section 2B Work the Lessee shall perform at its cost and expense all appropriate, required and necessary work for the removal of all asbestos, lead, petroleum contamination and other Hazardous Substances from the Site including without limitation the groundwater thereunder, the foregoing to include without limitation the handling, transporting and off-Airport disposal thereof in accordance with applicable law, including without limitation, all applicable Environmental Requirements (including, if required, disposal of asbestos in a long-term disposal facility at the Lessee's sole cost and expense) and all in a manner satisfactory to the Port Authority, provided, however, the foregoing shall not require the Lessee to remove from the soil in the Site those chemicals set forth with respect to soil in the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2B.3" (hereinafter called "Exhibit 2B.3") to levels lower than the Approved Cleanup Criteria therefor for so long as the DEC shall continue its approval and acceptance of such Approved Cleanup Criteria for soil in, on and under the Site and shall not require the Lessee to remove from the ground water in, on and under the Site those chemicals set forth with respect to ground water in Exhibit 2B.3 to levels lower than the Approved Cleanup Criteria therefor for so long as the DEC shall continue its approval and acceptance of such Approved Cleanup Criteria for ground water in, on and under the Site and, provided, further, that in the use of any Approved Cleanup Criteria the Lessee shall comply with all requirements of all Governmental Authorities for the use thereof including without limitation those set forth in the letter dated June 28, 1996 from Steven Miller of the DEC to Marvin Kirshner of the Port Authority covering the DEC's conditional approval of the use of such Approved Cleanup Criteria in certain areas of the Airport, which letter is attached hereto as part of Exhibit 2B.3, and all the requirements of the DEC pursuant to the ACO.

(bb) It is hereby agreed that unless required by any Environmental Requirement, the Lessee shall not be required pursuant to subparagraph (9)(ii)(aa) above to remove a Hazardous Substance to the extent the presence of such Hazardous Substance in, on or under the Premises and/or the Site was the sole result of naturally occurring phenomena and such Hazardous Substance was not in whole or in part released, discharged or introduced into, on, under or about the Premises or the Site by human activity and was not in whole or in part

caused by or resulted from a release, discharge, or introduction into, on, under or about the Premises or the Site by human activity (any such naturally occurring Hazardous Substance being hereinafter called a "Naturally Occurring Hazardous Substance"), it being understood that the Lessee shall be required pursuant to said subparagraph (9)(ii)(aa) to remove any Naturally Occurring Hazardous Substance to the extent required by any Environmental Requirement.

(iii) Promptly upon final disposition of any Hazardous Substance from the Premises or the Airport in the performance of the Section 2B Work, the Lessee shall submit to the Port Authority a "Certification of Final Disposal" stating the type and amount of material disposed, the method of disposal and the owner and location of the disposal facility. The format of such certification shall follow the requirements, if any, of governmental agencies having jurisdiction as if the Port Authority were a private organization and the name of the Port Authority shall not appear on any certificate or other document as a generator or owner of such material.

(iv) In the event any Hazardous Substance is discovered in the performance of the Section 2B Work, the Lessee in reporting such Hazardous Substance shall direct such report to the attention of such individual at the subject governmental authority as the General Manager of the Airport shall require in order to assure consistency in the environmental management of the Airport.

(10) The Lessee shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third Persons arising out of or in connection with or because of the performance of the Section 2B Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to contest any claim of a contractor, subcontractor, materialman, workman and/or other Person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this Section unless and until the same shall have been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the Section 2B Work, the Premises, the Site or any other area of the Airport nor to create any rights in said third Persons against the Port Authority.

(11) (i) The Lessee in its own name as insured and including the Port Authority as an additional insured, including without limitation for both premises-operations and completed operations, shall procure and maintain Commercial General Liability Insurance, including but not limited to premises-operations, products liability, broad form property damage, completed operations for a minimum of three years after the later to occur of the ACO Work Completion Date or the Redevelopment Work Completion Date, explosion, collapse and

underground property damages, personal injury (including death) and independent contractors in not less than the minimum limit set forth below, and with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to subparagraphs (1) and (5) of this paragraph (d) and paragraphs (o) and (q) of this Section 2B and the obligations required of the Lessee's contractors pursuant to subparagraph (1) of this paragraph (d), and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles in not less that the minimum limit set forth below, and Environmental Impairment Liability Insurance covering both gradual and sudden and accidental occurrences, on a claims-made basis, with a 1 year extended reporting period for the Section 2B Work and, instead of being included as an additional insured as aforesaid, including the Port Authority as an insured, as owner, and including without limitation, asbestos abatement, lead abatement, site specific to the Section 2B Work and which shall be site specific and include on-site and off-site clean-up and with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to paragraphs (d)(1), (o) and (q) of this Section 2B and the obligations assumed by the Lessee and its contractors pursuant to paragraph (d)(1) of this Section 2B with respect to Hazardous Substances, in not less than the limit set forth below, and such other insurance as the Port Authority may require in connection with the performance of the Section 2B Work. The Lessee may provide such insurance by requiring each contractor engaged by it for the Section 2B Work to procure and maintain such insurance including such contractual liability endorsement, said insurance, whether procured by the Lessee or by a contractor engaged by it as aforesaid, not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. In addition to the foregoing, the Lessee shall provide and maintain or shall require each contractor engaged by it for the Section 2B Work to provide and maintain property insurance coverage for the full value of such personal property and equipment, said policy of property and equipment insurance shall cover and insure against such hazards and risks as are customarily insured under such a policy and shall contain an endorsement waiving any rights of subrogation of the insurer against the Port Authority. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, and shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Lessee shall be the same as the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person as if the Port Authority were the named insured thereunder, but such provision or endorsement shall not limit, vary or affect the protections afforded the Port Authority thereunder as an additional insured. In addition, each of the said policy or policies of insurance shall be endorsed to state they are primary in relation to any insurance carried or maintained by the Port Authority, including without limitation, any self-insurance, regardless of type. All the foregoing insurance requirements shall be in addition to all policies of insurance otherwise required by the

Lease.

	Minimum Limits
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability:	$100.000,000.00
Commercial Automobile Liability (covering owned, non-owned and hired vehicles) Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00
Environmental Impairment Liability Combined single limit per occurrence for death, bodily injury and property for both gradual and sudden occurrences and both on-site and off-site cleanup:	$10,000,000.00

(ii) Without limiting the provisions hereof, in the event the Lessee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with all the terms and provisions hereof.

(iii) The Lessee shall also procure and maintain in effect, or cause to be procured and maintained in effect, Workers' Compensation Insurance and Employer's Liability Insurance in accordance with and as required by law and including coverage for asbestos exposure.

(iv) The insurance required hereunder in this subparagraph (11) shall be maintained in effect during the performance of the Section 2B Work and a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority at least fifteen (15) days prior to the commencement of the Section 2B Work or any portion thereof. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy, certificate and binder shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, contain a valid provision or endorsement that the policy may not

be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority and the City of New York. Each such copy and each such certificate with respect to the insurance required under this subparagraph (11) shall contain an additional endorsement providing that the insurance carrier 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 provisions of any statutes respecting suits against the Port Authority. Any renewal policy or certificate shall be delivered to the Port Authority prior to the expiration of each expiring policy. The aforesaid policies of insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority agreeing not to act unreasonably hereunder. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

(12) (i) The Lessee shall procure and maintain Builder's Risk (All Risk) Completed Value Insurance covering the Section 2B Work during the performance thereof including material delivered to the Premises or the construction site but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions of Section 11 of the Lease entitled "Insurance" and shall name the Port Authority, the City of New York and the Lessee and its contractors and subcontractors as Insureds as their interests may appear and such policy shall provide that the loss shall be adjusted with and payable to the Lessee. Such proceeds shall be used by the Lessee for the repair, replacement or rebuilding of the Section 2B Work and any excess shall be paid over to the Port Authority. The policies or certificates representing insurance covered by this subparagraph (12) shall be delivered by the Lessee to the Port Authority at least thirty (30) days prior to the commencement of construction of the Section 2B Work or any portion thereof, and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and also contain a valid provision obligating the insurance company to furnish the Port Authority and the City of New York thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such policies are to renew.

(ii) The insurance covered by this subparagraph (12) shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to the form or substance or if any of the

carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of the said policies shall be delivered to the Port Authority.

(13) The Lessee shall be under no obligation to reimburse the Port Authority for expenses incurred by the Port Authority in connection with its normal review and approval of the original plans and specifications submitted by the Lessee pursuant to this Section. The Lessee however agrees to pay to the Port Authority upon its demand the expenses incurred by the Port Authority in connection with any additional review for approval of any changes, modifications or revisions of the original plans and specifications which may be proposed by the Lessee for the Port Authority's approval. The expenses of the Port Authority for any such additional review and approval shall be computed on the basis of direct payroll time expended in connection therewith plus 100. Wherever in this Lease reference is made to "direct payroll time", costs computed thereunder shall include a pro-rata share of the cost to the Port Authority of providing employee benefits, including, but not limited to, pensions, hospitalization, medical and life insurance, vacations and holidays. Such computations shall be in accordance with the Port Authority's accounting principles as consistently applied prior to the Effective Date.

(14) The Lessee shall prior to the commencement of construction of the Section 2B Work and at all times during such construction submit to the Port Authority all engineering studies and environmental test results with respect to the Section 2B Work and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(15) The Lessee shall at the time of submitting its comprehensive plan to the Port Authority as provided in paragraph (a) hereof submit to the Port Authority its forecasts of the number of people who will be working at various times during the term of the Lease at the Premises, the expected utility demands of the Premises, noise profiles and such other information as the Port Authority may require. The Lessee shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(16) If the Lessee desires to perform the Section 2B Work, it shall execute and submit for the Port Authority's approval a construction application or applications in the form prescribed by the Port Authority covering the Section 2B Work or portions thereof prior to the performance of the Section 2B Work. The Lessee shall comply with all the terms and provisions of the approved construction application. In the event of any inconsistency between the terms of any construction application and the terms of this Lease, the terms of this Lease shall prevail and control. No approval nor anything contained in any approval granted by the Port Authority in connection with the Section 2B Work shall constitute a determination or indication

by the Port Authority that the Lessee has complied with the applicable governmental laws, ordinances, enactments, resolutions, rules and orders, including but not limited those of the City of New York, which may pertain to the work to be performed.

(17) Nothing contained in this Lease shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other Person engaged by the Lessee or any of its contractors in the performance of any part of the Section 2B Work any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the Section 2B Work. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other Person engaged by the Lessee or any of its contractors in the performance of any part of the Section 2B Work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Section 2B Work.

(18) (i) Without limiting any other terms, provisions and conditions of the Lease, the Lessee understands and agrees that it shall put into effect prior to the commencement of any of the Section 2B Work an affirmative action program and Minority Business Enterprise (MBE) program and Women-owned Business Enterprise (WBE) program in accordance with the provisions of Schedule E attached hereto and hereby made a part hereof (hereinafter "Schedule E"); as used in Schedule E the term "construction work" shall apply to the Section 2B Work. The provisions of said Schedule E shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee itself and the Lessee shall include the provisions of said Schedule E within all of its construction contracts so as to make said provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor, contractors and subcontractors to furnish to the Port Authority such data, including but not limited to compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, MBE and WBE programs of the Lessee and its contractor, contractors, and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be directed by the Port Authority pursuant to the provisions hereof and said Schedule E to effectuate the goals of affirmative action and MBE and WBE programs.

(ii) In addition to and without limiting any terms and provisions of this Lease, the Lessee shall provide in its contracts and all subcontracts covering the Section 2B Work or any portion thereof, that:

(aa) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(bb) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(cc) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

(dd) The contractor will include the provisions of subparagraphs (18)(aa) through (18)(cc) of this paragraph (d) in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(ee) "Contractor" as used herein shall include each contractor and subcontractor at any tier of construction.

(iii) The Lessee in the performance of the Section 2B Work shall commit itself to and use good faith efforts to implement an extensive program to utilize Local Business Enterprises in accordance with and as set forth the schedule attached hereto, hereby made a part hereof and marked "Schedule F".

(19) The Lessee shall not commence the Section 2B Work unless and until it has met with the General Manager of the Airport, and has given him at least 72 hours advance notice of its intention to perform the Section 2B Work. Scheduling of the Section 2B Work shall be coordinated with the General Manager of the Airport or his duly authorized

representative.

(20) In connection with the performance of the Section 2B Work the Lessee shall be responsible for identifying the location of all utilities and shall prior to the commencement of any of the Section 2B Work coordinate the Section 2B Work with the New York City and Long Island One Call toll free information service (1-800-272-4480) and ascertain the location of underground utilities, if any, at the Premises and off the Premises in the vicinity where any of the Section 2B Work is to be performed. The Lessee shall provide the Port Authority with the written evidence of such coordination.

(21) In the performance of the Section 2B Work the Lessee shall not employ any contractor nor shall the Lessee or any of its contractors employ any Persons or use or have any equipment or materials or allow any condition to exist if any such shall or, in the opinion of the Port Authority, may cause or be conducive to any labor troubles at the Airport which interfere, or in the opinion of the Port Authority are likely to interfere with the operations of others at the Airport or with the progress of other construction work thereat. The determinations of the Port Authority shall be conclusive to the Lessee. Upon notice from the Port Authority, the Lessee shall immediately remove such contractor or withdraw or cause its contractors to withdraw from the Airport, the Persons, equipment or materials specified in the notice and replace them with unobjectionable contractors, Persons, equipment and materials and the Lessee shall or shall cause its contractor to immediately rectify any condition specified in the notice. In the event of failure by the Lessee or any of its contractors to immediately comply with the requirements of this subparagraph (whether or not such failure is due to the Lessee's fault), the Port Authority shall have the right to suspend the Lessee's right to perform the Section 2B Work without prior notice; when the labor troubles shall be so settled that such interferences or the danger thereof no longer exists, the Port Authority, by notice to the Lessee, shall reinstate said right on all the same terms and conditions as before the suspension. "Labor troubles" shall mean and include strikes, boycotts, picketing, work-stoppages, slowdowns, complaints, disputes, controversies or any other type of labor trouble, regardless of the employer of the Person involved or their employment status, if any.

(e) Additional Requirements for Performance of the Off-Premises Work

In addition to and without limiting the terms and conditions set forth in paragraph (d) above, the Lessee hereby specifically agrees that notwithstanding the Port Authority's approval of any construction application the Lessee shall, as directed by the Port Authority, design and make such changes or modifications in the Off-Premises Work as may be required by the Port Authority, which changes and modifications will become a part of the construction application. Furthermore, the Off-Premises Work will be constructed in accordance with and subject to any conditions which may be imposed by the General Manager of the Airport.

(f) Provisional Approvals

The Lessee may wish to commence construction of portions of the Redevelopment Work prior to the approval by the Port Authority of its complete plans and specifications for the same as required in this Section and if the Lessee does it shall submit a written request to the Port Authority setting forth the work it proposes to then do. The Port Authority shall have full and complete discretion as to whether or not to permit the Lessee to proceed with said work. Further, the Lessee may wish to commence construction of portions of the Remediation Work prior to the approval by the Port Authority of its complete plans and specifications for the same as required in this Section and if the Lessee does it shall submit a written request to the Port Authority setting forth the work it proposes to then do. The Port Authority shall have full and complete discretion as to whether or not to permit the Lessee to proceed with said work. If the Port Authority has no objection to the Lessee's proceeding with the work, it shall do so by writing a letter to the Lessee to such effect. If the Lessee performs the work covered by said letter, it agrees all such work shall be performed subject to and in accordance with all of the provisions of the approval letter and subject to and in accordance with the following terms and conditions:

(1) The performance by the Lessee of the work covered by any request as aforesaid will be at its sole risk. Until the complete plans and specifications for the Redevelopment Work have been approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this paragraph (f), the Lessee will, as directed by the Port Authority, at its sole cost and expense, either restore and rebuild the area affected to a condition of equal function, utility, efficiency and capacity as that existing prior to the commencement of any such work and as required and approved by the Port Authority or make such modifications and changes in any such work as may be required by the Port Authority. Until the complete plans and specifications for the Remediation Work have been approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this paragraph (f), the Lessee will, as directed by the Port Authority, at its sole cost and expense make such modifications and changes in any such work as may be required by the Port Authority.

(2) Nothing contained in any approval hereunder shall constitute a determination or indication by the Port Authority that the Lessee has complied with the applicable governmental laws, ordinances, enactments, resolutions, rules and orders, including but not limited to those of the City of New York, which may pertain to the work to be performed.

(3) The approved work will be performed in accordance with and subject to the terms, conditions, indemnities and provisions of the Lease covering the Section 2B Work and the Redevelopment Work or the Remediation Work, as the case shall be, and with the

terms, conditions, indemnities and provisions of any construction application which the Port Authority may request the Lessee to submit even though such construction application may not have, at the time of the approval under this paragraph (f), been approved by the Port Authority.

(4) No work under any such approval shall affect or limit the obligations of the Lessee under all prior approvals with respect to its construction of the Section 2B Work.

(5) The Lessee shall comply with all requirements, stipulations and provisions as may be set forth in the letter of approval.

(6) In the event that the Lessee shall at any time during the construction of any portion of the Section 2B Work under the approval granted by the Port Authority pursuant to this paragraph (f) fail, in the opinion of the General Manager of the Airport, to comply with all of the provisions of the Lease with respect to such work, the construction application or the approval letter covering the same or be, in the opinion of the said General Manager of the Airport, in breach of any of the provisions of the Lease, the construction application or the approval letter covering the same, the Port Authority shall have the right, acting through said General Manager of the Airport, to cause the Lessee to cease all or such part of the Section 2B Work as is being performed in violation of the Lease, the construction application or the approval letter. Upon such written direction from the General Manager of the Airport the Lessee shall promptly cease construction of the portion of the Section 2B Work specified. The Lessee shall thereupon submit to the Port Authority for its written approval the Lessee's proposal for making modifications, corrections or changes in or to the Section 2B Work that has been or is to be performed so that the same will comply with the provisions of this Lease, the construction application and the approval letter covering the Section 2B Work. The Lessee shall not commence construction of the portion of the Section 2B Work that has been halted until such written approval has been received.

(7) It is hereby expressly understood and agreed that neither the Resident Engineer nor the field engineer(s) mentioned in paragraph (g) below has any authority to approve any plans and specifications of the Lessee with respect to the Section 2B Work, to approve the construction by the Lessee of any portion of the Section 2B Work or to agree to any variation by the Lessee from compliance with the terms of the Lease, or the construction application or the approval letter with respect to the Section 2B Work. Notwithstanding the foregoing, should the Resident Engineer or any field engineer give any directions or approvals with respect to the Lessee's performance of any portion of the Section 2B Work which are contrary to the provisions of the Lease, the construction application or the approval letter, said directions or approvals shall not affect the obligations of the Lessee as set forth herein nor release or relieve the Lessee from strict compliance therewith.

(8) It is hereby further understood and agreed that the Port Authority

has no duty or obligation of any kind whatsoever to inspect or police the performance of the Section 2B Work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager of the Airport has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Section 2B Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the Section 2B Work in accordance with the terms of the Lease, the construction application or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of the Lease, the construction application and the approval letter with respect to such work.

(9) Without limiting the discretion of the Port Authority hereunder, the Port Authority hereby specifically advises the Lessee that even if the Port Authority hereafter in the exercise of its discretion wishes to grant approvals under this paragraph (f), it may be unable to do so, so as to permit the Lessee to continue work without interruption following its completion of the work covered by any prior approval hereunder. The Lessee hereby acknowledges that if it commences work pursuant to this paragraph (f) it shall do so with full knowledge that there may not be continuity by it in the performance of its Section 2B Work under the procedures of this paragraph (f).

(10) No prior approval of any work in connection with the Section 2B Work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed in connection therewith prior to the approval by the Port Authority of the Lessee's complete plans and specifications therefor. It is understood that no such prior approval shall release or relieve the Lessee from its obligation to submit complete plans and specifications for the Section 2B Work and to obtain the Port Authority's approval of the same as set forth in paragraphs (c) and (d) hereof. It is further understood that in the event the Lessee elects not to continue to seek further approval letter(s) pursuant to this paragraph (f), the Port Authority shall have the right to suspend the obligations of the Lessee to restore the area with respect to the Redevelopment Work and to make modifications and changes to the Section 2B Work as set forth in subparagraph (1) above until the Port Authority shall have approved the complete plans and specifications for the Section 2B Work in accordance with paragraph (c) hereof.

(g) Commencement of Section 2B Work and Assignment of Port Authority Field Engineer

The Lessee will give the General Manager of the Airport at least 72 hours advance notice prior to the commencement of construction. The Port Authority will assign to the Section 2B Work a full time field engineer or engineers during such time that any Section 2B Work is being performed pursuant to paragraph (f) hereof and may assign to the Section 2B Work

a full time field engineer or engineers during any time that no Section 2B Work is being performed pursuant to paragraph (f) hereof. The Lessee shall pay to the Port Authority for the services of said engineer or engineers. the sum of Seven Hundred Five Dollars and No Cents ($705.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2000; and the sum of Seven Hundred Twenty Dollars and No Cents ($720.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2001; and the sum of Seven Hundred Thirty-five Dollars and No Cents ($735.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year.2002; and the sum of Seven Hundred Fifty Dollars and No Cents ($750.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2003; and the sum of Seven Hundred Sixty-five Dollars and No Cents ($765.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2004; and the sum of Seven Hundred Eighty Dollars and No Cents ($780.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2005; and the sum of Seven Hundred Ninety-five Dollars and No Cents ($795.00) per engineer for each day or part thereof that the engineer or engineers are so assigned during the calendar year 2006; and for each and every calendar year thereafter, the rate that the Port Authority shall charge other Aircraft Operators at the Airport for the services of such engineer or engineers during such calendar year for each day or part thereof that the engineer or engineers are so assigned for such calendar year, provided, however, and notwithstanding the foregoing, in the event any such field engineer shall be so assigned for a half-day or less, then the rate the Lessee shall pay to the Port Authority for such day for such engineer shall be equal to one half of the applicable daily rate set forth above for such engineer. The Port Authority shall bill the Lessee for the services of said field engineer(s) not less frequently than once a month. Nothing contained herein shall affect any of the provisions of paragraph (n) hereof or the rights of the Port Authority thereunder.

(h) Additional Environmental Requirements

(1) The Section 2B Work shall be constructed in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. Accordingly, and in addition to all other obligations imposed on the Lessee under this Agreement and without diminishing, limiting, modifying or affecting any of the same, the Lessee shall be obligated to construct as part of the Section 2B Work hereunder such structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the foregoing and each of the foregoing shall be and become a part of the Section 2B Work hereunder.

(2) Notwithstanding the provisions of subparagraph (1) above and in

addition thereto, the Port Authority hereby reserves the right from time to time and at any time during the term of the Lease to require the Lessee, subsequent to the completion of the Section 2B Work to design and construct at its sole cost and expense such further reasonable structures, fences, equipment, devices and other facilities as maybe necessary or appropriate to accomplish the objectives as set forth in the first sentence of subparagraph (1) hereof. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. All other provisions of this Section with respect to the Section 2B Work shall apply and pertain with like effect to any work which the Lessee is obligated to perform pursuant to this paragraph (h) and upon completion of each portion of such work it shall be and become a part of the Premises.

(i) Title to Section 2B Work

Except as set forth in paragraph (a)(2)(vii) hereof and paragraph (q)(2)(vi), title to all the Section 2B Work shall pass to the City as the same or any part thereof is erected, constructed or installed and the same except as set forth in paragraphs (a)(2)(vii), (a)(3) and (l) hereof shall be and become a part of the Premises hereunder if located on the Premises. The foregoing provisions of this paragraph (i) shall not affect the risks and obligations assumed by the Lessee hereunder nor release the Lessee from the performance of its rebuilding and restoration obligations set forth in this Section 2B.

(j) Continuing Operations

The Lessee acknowledges that it will be continuing its operations at the Premises under the Lease during the period of time it is performing the Section 2B Work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessee in its operations at the Premises as well as to its customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under the Lease or otherwise on account of its performance of the Section 2B Work and that the performance of the Section 2B Work shall not constitute an eviction or constructive eviction of the Lessee nor be grounds for any abatement of rents, fees or charges payable by the Lessee under the Lease or otherwise nor give rise to or be the basis of any claim or demand by the Lessee against the Port Authority, its Commissioners, officers, employees or agents for damages, consequential or otherwise.

(k) Minimization of Disruption of and Coordination with Other Airport Operations, Activities and Construction:

(1) The Lessee acknowledges that the Port Authority as well as other users, lessees, tenants, airport patrons and invitees and others will be continuing their operations in the Central Terminal Area during the period of time the Lessee is performing the Section 2B Work hereunder and that this will involve among other things inconvenience, noise, dust, interference and disturbance to said operations and possibly other risks as well. The Lessee further acknowledges that the Section 2B Work hereunder will impact traffic flow and control on the roadways in the CTA as well as the terminal frontage roads in front of the Premises and the use thereof by customers, patrons, invitees and employees. The Lessee hereby expressly assumes all of the foregoing risks. Without limiting the foregoing, the Lessee shall and expressly hereby agrees to perform, and to require each of its contractors and subcontractors to perform, the Section 2B Work and each portion thereof in such a manner so as to minimize the impact and any disruption resulting therefrom on said operations and on traffic control and traffic flow in the CTA. The Lessee shall, without limiting any other term or provision hereof, communicate and cooperate (and require each of its contractors to communicate and cooperate) with the Port Authority and with each of the users, lessees, tenants, airport patrons, invitees and others in all aspects of the Section 2B Work, and the Lessee shall coordinate and work in harmony with all said Persons, including without limitation the users and occupants of the Premises and Port Authority contractors. The Lessee shall also communicate and cooperate (and require each of its contractors to communicate and cooperate) with all ground transportation operators and providers including all taxi, limousine and bus operators throughout the entire period of time of the performance of the Section 2B Work. The Lessee shall include in each of its contracts and subcontracts covering the Section 2B Work or any portion thereof the foregoing requirements for minimization of disruption and for contractor cooperation, communication and coordination.

(2) The Lessee shall perform and schedule and shall require each of its contractors and subcontractors to perform and schedule the Section 2B Work with a high degree of coordination with the Port Authority's plans and schedules for the construction of the AirTrain, the Parking Garage and the plans and schedules for utility work at the Airport and the Lessee shall at all times during the construction of the AirTrain, the Parking Garage and such utility work cooperate and communicate and shall require each of it contractors and subcontractors to cooperate and communicate with the Port Authority and the Port Authority's contractors, including without limitation, the Parking Garage Contractor(s), the contractor for the AirTrain and the contractor(s) performing such utility work. The Lessee shall include in each of its contracts and subcontracts covering the Section 2B Work or any portion thereof the foregoing requirements for contractor cooperation, communication and coordination.

(3) The Lessee acknowledges that the Section 2B Work may impact on the fuel distribution system at the Airport as well as other utilities on or adjoining the Airport and that the Section 2B Work may disrupt or interfere with or interrupt the operation and performance of such utilities. The Lessee hereby expressly assumes all of the risks from such disruption, interference and interruption. Without limiting the foregoing, the Lessee shall and expressly

hereby agrees to perform, and to require each of its contractors and subcontractors to perform, the Section 2B Work and each portion thereof in such a manner so as to minimize the disruption, interference and interruption resulting therefrom on said utilities. The Lessee shall, without limiting any other term or provision hereof, determine which utilities may be affected by the performance of the Section 2B Work and communicate and cooperate (and require each of its contractors to communicate and cooperate) with the Port Authority and with each of the users of such utilities in all aspects of the Section 2B Work, and the Lessee shall coordinate and work in harmony with all said Persons. The Lessee shall include in each of its contracts and subcontracts covering the Section 2B Work or any portion thereof the foregoing requirements for minimization of disruption, interference and interruption and for contractor cooperation, communication and coordination.

(4) Temporary Construction Program:

In order to ensure appropriate levels of service to the users, occupants, and Airport patrons and others using the Airport during the performance of the Section 2B Work, the Lessee, not less than sixty (60) days prior to the commencement of any portion of the Section 2B Work and the implementation of each construction stage, shall prepare and submit to the Port Authority for its prior approval a temporary construction program (including, but not limited to, drawings, sketches, schedules and narrative descriptions) which sets forth plans for the continuing provision of all patron services and landside operations at or adjacent to the Premises. Without limiting any other term or provision hereof, any temporary construction is and shall be subject to paragraph (n) below, including, but not limited to, certifications of the Lessee and the Lessee's licensed architect or engineer and the issuance of a certificate of completion therefor by the Port Authority.

(5) Without limiting any other term or provision hereof, the Lessee shall complete the design and perform the Section 2B Work in a manner consistent with roadway, frontage and utility improvements of the Port Authority at the Airport and with the construction of the AirTrain.

(6) In the performance of the Section 2BWork, the Lessee shall not exacerbate the environmental condition of the Premises or the Airport.

(l) Utility Lines

(1) The Port Authority shall have no responsibility for bringing to the Premises or the Site any utility service lines for the supply of cold water, electric power, and sanitary and storm sewers, or any other utility or service lines, except for the utility service lines that may be serving the Premises on the Effective Date. If the Lessee determines that it will require that additional utility service lines be brought to the Premises or that the capacity of one or more of the existing utility service lines serving the Premises be greater than the capacity which

existed on the Effective Date, the Lessee shall submit to the Port Authority for the Port Authority's approval a tenant alteration application covering the work to provide the additional utility service line capacity to the Premises (hereinafter called the "Off-Site Utility Service Line Work") which work when and if approved by the Port Authority shall be performed by the Lessee at the Lessee's sole cost and expense in accordance with all the terms and provisions of this Section, provided, however, that the Off-Site Utility Service Line Work shall not be or become a part of the Premises hereunder.

(2) The Lessee understands that there may be communications and utility lines and conduits located on or under the Premises which do not, and may not in the future, serve the Premises and are located on or under the Premises where the Redevelopment Work is or is to be performed or for which currently or in the future the operation, maintenance, replacement, repair are or maybe affected by the Redevelopment Work or the performance thereof. The Lessee agrees at its sole cost and expense, if directed by the Port Authority so to do, to relocate and reinstall such communications and utility lines and conduits on the Premises or off the Premises as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called the "Relocation Work"), provided, however, it is understood that the obligations of the Lessee under this paragraph (l)(2) shall terminate on the Section 2B Work Completion Date. The Lessee shall perform the Relocation Work subject to and in accordance with all the terms and provisions of this Section and the Relocation Work shall be and become a part of the Redevelopment Work, it being understood, however, that the Relocation Work shall not be or become a part of the Premises hereunder.

(3) In the event KIAC does not permit the Lessee to relocate or perform any other work in connection with the TDS (including without limitation the lateral mains and heat exchangers) constituting a portion of the Redevelopment Work, such relocation and other work shall be performed by KIAC or KIAC's contractors, as determined by KIAC, at the sole cost and expense of the Lessee. Such work, upon completion, will become a part of the TDS at the Airport and will become the property of the Port Authority or of its designee and will not be a part of the Premises.

(m) Dewatering

Prior to the commencement of any of the Section 2B Work, the Lessee shall, at its sole cost and expense, obtain from the DEC and maintain in effect its own dewatering permit and its own New York State Pollution Discharge Elimination System (SPDES) construction permit or the DEC equivalent thereof in the Lessee's own name covering the Section 2B Work (which dewatering and construction permits are herein called "American's Permits") for the removal of groundwater and discharge elimination in connection with all or any of the Section 2B Work. Maximum flow from the dewatering systems shall not exceed permissible limits defined in American's Permits. The Lessee shall comply with all the terms and conditions of American's Permits and with any and all additional requirements of the DEC and notwithstanding anything in

American's Permits to the contrary, the use of American's Permits shall not violate or be the cause of the violation of any existing and future dewatering or SPDES permits at the Airport. In the event that the projected zone of influence of any planned dewatering system is found to extend into any area outside of the Premises or the Site, the Lessee shall notify the Port Authority by submitting to the Geotechnical Unit of the Port Authority the proposed dewatering design for review and approval.

(n) Completion of the Section 2B Work

(1) When the Redevelopment Work is substantially completed and ready for use, the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that the Redevelopment Work has been constructed in accordance with the approved plans and specifications and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter the Redevelopment Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's licensed architect or engineer, as aforesaid, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. The Lessee shall not use or permit the use of the Redevelopment Work for the purposes set forth in the Lease until such certificate is received from the Port Authority, and the Lessee shall not use or permit the use of the Redevelopment Work or any portion thereof even if such certificate is received if the Port Authority states in any such certificate that the same cannot be used until other specified portions are completed.

(2) The term "Redevelopment Work Completion Date" for the purposes of the Lease shall mean the date appearing on the certificate issued by the Port Authority pursuant to subparagraph (1) of this paragraph (n) after the substantial completion of the Redevelopment Work.

(3) In addition to and without affecting the obligations of the Lessee under the preceding subparagraph (1), when an integral and material portion of the Redevelopment Work is substantially completed or is properly usable the Lessee may advise the Port Authority to such effect and may deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that such portion of the Redevelopment Work has been constructed in accordance with the approved plans and specifications and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, and specifying that such portion of the Redevelopment Work can be properly used even though the Redevelopment Work has not been completed and that the Lessee desires such use. The Port Authority may in its

sole discretion deliver a certificate to the Lessee with respect to each such portion of the Redevelopment Work permitting the Lessee to use such portion thereof for the purposes set forth in the Lease. In such event the Lessee may use such portion subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee, and subject to the risks as set forth in paragraph (f) hereof in the event that the Port Authority shall not have then approved the complete plans and specifications for the Redevelopment Work. Moreover, at any time prior to the issuance of the certificate required in subparagraph (1) above for the Redevelopment Work, the Lessee shall promptly upon receipt of a written notice from the Port Authority cease its use of such portion of the Redevelopment Work which it had been using pursuant to permission granted in this subparagraph (3).

(4) When the ACO Work is completed, the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that the ACO Work has been completed in accordance with the approved plans and specifications therefor and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, including without limitation, the ACO and that the Lessee has obtained a no further action letter from the DEC for the Premises and for the ACO Work. Thereafter the ACO Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's licensed architect or engineer, as aforesaid, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect the ACO Work and any liability therefor shall be borne by the Lessee. The Lessee shall not shut down or remove any remediation system or Remediation Work until such certificate is received from the Port Authority.

(5) The term "ACO Work Completion Date" for the purposes of the Lease shall mean the date appearing on the certificate issued by the Port Authority pursuant to subparagraph (4) of this paragraph (n) after the completion of the ACO Work and the "Section 2B Work Completion Date" shall mean the later to occur of the Redevelopment Work Completion Date or the ACO Work Completion Date.

(6) In addition to and without affecting the obligations of the Lessee under the preceding subparagraph (4), when an integral and material portion of the Remediation Work is completed to the satisfaction of the Port Authority and the DEC and the Lessee desires to shut down and/or remove any of such portion of the Remediation Work the Lessee may advise the Port Authority to such effect and may deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that such portion of the Remediation Work has been completed in accordance with the approved plans and specifications and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders,

including without limitation the ACO, and that the Lessee has received permission from the DEC to shut down and/or remove, as the case shall be, such portion of the Remediation Work and specifying that such portion of the Remediation Work can be properly shut down or removed even though the ACO Work has not been completed and that the Lessee desires that such portion of the Remediation Work be removed and/or shut down. The Port Authority may in its sole discretion deliver a certificate to the Lessee with respect to each such portion of the Remediation Work permitting the Lessee to shut down and/or remove such portion thereof. In such event the Lessee may shut down or remove such portion subject to the condition that all risks thereafter with respect to the performance, construction, installation, removal and shut down of the same and any liability therefor for negligence or other reason shall be borne by the Lessee, and subject to the risks as set forth in paragraph (f) hereof in the event that the Port Authority shall not have then approved the complete plans and specifications for the Remediation Work. Moreover, at any time prior to the issuance of the certificate required in subparagraph (4) above for the ACO Work, the Lessee shall promptly upon receipt of a written notice from the Port Authority reinstall and/or turnon, as such notice shall require, such portion of the Remediation Work.

(o) (1) Without limiting any other term, provision or condition contained in this Lease and in addition thereto and notwithstanding anything to the contrary in the ACO or any approval by the Port Authority, the Lessee on its own behalf and on behalf of its predecessors, successors, assigns and insurers agrees to assume all responsibility for and to forever remise, release, discharge, hold harmless, reimburse and indemnify the Port Authority, its Commissioners, officers, employees and representatives from and against, including without limitation reimbursing the Port Authority for its costs and expenses (including without limitation all legal costs and expenses including the costs and expenses of the Port Authority's own in-house legal staff) incurred in connection with the defense of, any and all past, present and future Liabilities whatsoever on account of, arising or alleged to arise out of, or in any way related to or in connection with, or caused by or resulting from, any Risk-based Clean-up, Environmental Requirement or Environmental Damages related to the Section 2B Work (all the foregoing to include without limitation the compliance with and/or violation of any such Environmental Requirement, the investigation, remediation, excavation, removal, clean-up, management, encapsulation, containment, abatement, treatment, monitoring, transportation, disposal, release, spill, deposit, emission, migration, seepage, leakage, discharge, handling, and storage of Hazardous Substances, the exacerbation of contamination, the cost of demolition and rebuilding of any improvements on the Premises and/or the Site, any increased construction costs and expenses, any construction delays, the performance of any dewatering or discharging by the Lessee and the use of American's Permits) or arising or alleged to arise out of, or in any way related to, a breach or default of the Lessee's obligations under this paragraph (o) or a breach or default of the Lessee's obligations under this Section 2B with respect to any Hazardous Substance or any Environmental Requirement including without limitation all costs and expenses (including without limitation, those of Port Authority's staff) in enforcing the provisions thereof, and whether any of the foregoing arise out of any Hazardous Substance on the Premises prior to or after the effective date

of the letting of the Premises to the Lessee under the Lease or on the Site prior to or after the effective date of the letting of the Premises to the Lessee under the Lease or out of the acts or omissions of the Lessee or of the Port Authority or of the contractors of the Lessee or of the Port Authority or of third Persons or out of the acts of God or the public enemy or otherwise, provided, however, if and only if an indemnity claim or demand is made by a third Person against the Port Authority and such claim or demand (i) is for indemnification by the Port Authority of the fault of such third Person, (ii) arises solely pursuant to a written agreement voluntarily entered into by the Port Authority with such third Person after the Effective Date (the "Voluntary Agreement"), and (iii) other than the Voluntary Agreement there is no past, existing or future obligation whatsoever whether arising at or pursuant to law, equity, contract, contribution, litigation or otherwise for the Port Authority to in part or in whole so indemnify such third Person for such claim or demand, then and only if such claim and demand meets all the criteria set forth in the foregoing items (i), (ii) and (iii) the Lessee shall not be obligated pursuant to this paragraph (o) to indemnify the Port Authority for such claim or demand. If so directed, the Lessee shall at its own expense defend any suit based upon the foregoing and in handling such it 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 provisions of any statutes respecting suits against the Port Authority.

(2) Nothing contained in nor not contained in this paragraph (o) shall nor shall be deemed to limit the generality thereof, except, however, it is hereby agreed that the Lessee shall not be required to indemnify the Port Authority pursuant to this paragraph (o) where such indemnity is precluded by statute.

(p) It is hereby agreed and understood that effective as of September 24, 1998 Lease AYB-085 shall be and be deemed to have been amended and supplemented to include this Section 2B and all the terms, provisions, covenants and conditions of this Section 2B shall and shall be deemed to be a part of Lease AYB-085 from and after September 24, 1998.

(q) (1) The following terms when used in this paragraph (q) shall have the respective meanings given below:

(i) "Abandoned Fuel Lines" shall mean any portion of the System which is taken out of service as part of the Fuel Lines Work and is abandoned in place or is abandoned and removed from the Airport as a part of the Fuel Lines Work.

(ii) "Acceptance Date" shall mean with respect to each portion of the Distribution Portion Work, the date appearing on the certificate delivered to the Lessee by the Port Authority pursuant to sub-paragraph (3) of this paragraph (q) covering such portion of the Distribution Portion Work and shall mean with respect to each portion of the

Satellite Portion Work, the date appearing on the certificate delivered to the Lessee by the Port Authority pursuant to sub-paragraph (3) of this paragraph (q) covering such portion of the Satellite Portion Work.

(iii) "Affected Distribution Lines" shall mean the Premises Distribution Lines and the Non-Premises Distribution Lines.

(iv) "Airport Fueling Agreements" shall mean the General Airport Agreement (which agreement is one of several general airport agreements which have been entered into by the Port Authority with other Aircraft Operators at the Airport and is together with the other general airport agreements commonly known as the "Dewey Leases"), the other Dewey Leases and any other agreements covering aircraft fueling at the Airport which are contemplated by the Dewey Leases, it being understood and agreed that the term "Dewey Leases" shall continue to include such leases upon the expiration thereof as the same may continue to be operative.

(v) "Airline Terminal Portion Work" shall mean the New Isolation Valves, all portions of the Fuel Lines Work located on the demand side of the New Isolation Valves such as but not limited to underground pipe lines, hydrant boxes and related facilities and appurtenances (except for hydrant valves), and all other Fuel Lines Work that is performed on the Premises and that is not Distribution Portion Work.

(vi) "Distribution Portion Work" shall mean (x) that portion of the Fuel Lines Work which is performed on that portion of the Distribution Portion of the System (as such terms are defined in Section 4.021 of the General Airport Agreement) that shall not become a portion of the Redesignated Airline Terminal Portion of the System, (y) the New Non-Premises Distribution Lines (as defined in subparagraph (2) hereof), and (z) all hydrant valves installed as part of the Fuel Lines Work.

(vii) "Fuel Line Risks" shall mean any and all risks, costs, expenses, damages, responsibilities and liabilities arising out of, in connection with or resulting from the Fuel Lines Work, the New System Components, the Inert Fuel Lines or the Abandoned Fuel Lines, including but not limited to, each Warranty, all Defects (as such terms are defined in subparagraph (x) hereof), the failure to have, or the inclusion of (whether proper or improper), any maintenance, repair, replacement, operation or other costs or expenses incurred in connection with the New System Components, the Abandoned Lines or the Inert Fuel Lines included in the System Costs, or the failure or refusal of the Users or any of them to pay any such costs or expenses, or the failure to obtain the agreement or approval of the Other Users for the Fuel Lines Work, including without limitation the payment of the costs thereof and its design.

(viii) "Fuel Lines Work" shall have the meaning set forth in subparagraph (2) hereof.

(ix) "Inert Fuel Lines" shall mean the Distribution Portion of Premises Distribution Lines 403-3 and 408-3 (as shown on the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 2B.4" (which exhibit is herein referred to as "Exhibit 2B.4") which as part of the Fuel Lines Work are capped, rendered inert and taken out of service but are not abandoned.

(x) "New Isolation Valves" shall mean all of the isolation valves to be constructed and installed by the Lessee in proposed Isolation Valve Vault IW-C6 as shown on Exhibit 2B.4 with respect to Premises Distribution Lines 403-1, 403-2, 408-1 and 408-2 as shown on Exhibit 2B.4 as part of the Fuel Lines Work.

(xi) "New System Components" shall collectively mean the Airline Terminal Portion Work, the Distribution Portion Work and the Satellite Portion Work.

(xii) "Non-Premises Distribution Lines" shall mean all of those distribution fuel lines identified on Exhibit 2B.4 as Line 401-1, Line 401-2, Line 401-3, Line 409-01, Line 409-02 and Line 409-03 as such Lines recommence at the dike wall of the Satellite Portion of the System (as such terms are defined in Section 4.021 of the General Airport Agreement) and their related facilities and appurtenances.

(xiii) "Other Users" shall mean all Users except for the Lessee.

(xiv) "Permitted Modification" shall mean a modification, relocation, alteration, addition, replacement or capital improvement made to the System by any Person, provided, however, that (i) the costs and expenses of such modification, relocation, alteration, addition, replacement or capital improvement are not includable or included in Systems Costs by reason that one or more persons have agreed to pay for such costs and expenses (which person may be one of the Users and if so such agreement to pay such costs and expenses has not been made by such person pursuant to the Airport Fueling Agreements) or was performed by or on behalf of the Port Authority and is not "An Additional Facility Improvement" (as such term is defined in Section 4.021 of the General Airport Agreement) and/or the Port Authority has not proposed to the Lessee or the other Basic Aircraft Operators (as such term is used in Section 12.14 of the General Airport Agreement) that such modification, relocation, alteration, addition, replacement or capital improvement be made to the Distribution Portion of the System pursuant to Section 4.021 K. of the General Airport Agreement and/or is any other work which is not included or includable in System Costs pursuant to the Dewey Leases and (ii) such modification, relocation, alteration, addition, replacement or capital improvement shall have been

approved or performed by the Port Authority.

(xv) "Premises Distribution Line" shall mean any of and "Premises Distribution Lines" shall mean all of those distribution fuel lines identified as Line 403-1, Line 403-2, Line 403-3, Line 408-01, Line 408-02 and Line 408-03 on Exhibit 2B.4 as such Lines recommence at the dike wall of the Satellite Portion of the System and their related facilities and appurtenances.

(xvi) "Redesignation Date" shall mean with respect to each Premises Distribution Line the date that the Lessee shall first commence any of the Fuel Lines Work with respect to such Premises Distribution Line.

(xvii) "Redesignated Airline Terminal Portion of the System" shall mean all portions of Premises Distribution Lines 403-1, 403-2, 408-1 and 408-2 existing prior to the commencement of the Fuel Lines Work and located on the demand side of the place where New Isolation Valves are to be installed and all portions of Premises Distribution Lines 403-3 and 408-3 located on the demand side of the points identified as the "Distribution Line End Points" on Exhibit 2B.4 where the caps are to be installed on such Lines as part of the Fuel Lines Work but the Redesignated Airline Terminal Portion of the System shall not include such caps.

(xviii) "Satellite Portion Work" shall mean that portion of the Fuel Lines Work, if any, that is performed at the Satellite Portion of the System.

(xix) "System Operator" shall mean Ogden New York Services, Inc., the Port Authority's independent contractor presently operating the System, or any other Person who shall operate, repair or maintain the System pursuant to the Dewey Leases.

(xx) "System Costs" shall mean all costs and expenses incurred in connection with the System, including without limitation capital, operation, maintenance and repair costs and expenses, paid or to be paid for collectively by the Users pursuant to the Airport Fueling Agreements (including without limitation Sections 4.02 and 4.021 of the Dewey Leases).

(xxi) "System License" shall mean the Major Petroleum Facility License issued by the New York State Department of Environmental Conservation bearing license number 2-2380 covering the bulk storage area (as such term is used in the General Airport Agreement), and each and every successor or extension to or replacement of such license and any other license, registration or permit covering or with respect to the bulk storage area, the Satellite Portion or the Distribution Portion required by any Environmental Requirement.

(xxii) "Users" shall mean any Persons who use the System or are obligated (whether by agreement or otherwise) to pay any System Costs.

(2) As part of the Lessee's Redevelopment Work, the Lessee has advised the Port Authority that it desires to relocate and abandon portions of the Affected Distribution Lines located on the Premises as well as make certain replacements and modifications to the Satellite Portion of the System and other portions of the Distribution Portion of the System as shall be required, necessary or desirable for such relocation and abandonment (any work performed on the System and any replacements and abandonment of the System to be performed by the Lessee as part of the Redevelopment Work and which may be approved by the Port Authority pursuant to this Section and as the same may be approved by the Port Authority being herein referred to as the "Fuel Lines Work"). The proposed relocation and abandonment work includes among other items the construction of new replacement distribution fuel lines in connection with the Lessee's proposed construction of a new sewer line in the vicinity of proposed Isolation Valve Vault IW-C6 and in connection with the Lessee's proposed construction of a tunnel (which new distribution fuel lines which exclusively serve the Premises and their related facilities and appurtenances are herein called the "New Premises Fuel Lines" and which new distribution fuel lines which do not serve the Premises and their related facilities and appurtenances are herein called the "New Non-Premises Distribution Lines"), the capping, abandonment and removal of certain portions of the Affected Distribution Lines, and the construction of a new isolation valve vault in the location shown on Exhibit 2B.4 and identified as "Isolation Valve Vault IW-C6". All Fuel Lines Work performed by the Lessee shall be performed subject to and in accordance the following additional terms and conditions:

(i) All Fuel Lines Work shall be performed at the sole cost and expense of the Lessee and the Lessee agrees none of such costs and expenses shall become part of System Costs. The Lessee further agrees that if any costs and expenses for the repair, operation, replacement, maintenance or use of the Distribution Portion Work, the Satellite Portion Work or the Inert Fuel Lines for any reason whatsoever are not included or includable in, or not allowed to become a part of, System Costs, that the Lessee shall bear and pay for any and all such costs and expenses. In addition, all of the Distribution Portion of the System which is taken out of service and abandoned as part of the Fuel Lines Work shall be removed from the Airport by the Lessee as a part of the Fuel Lines Work.

(ii) The Fuel Lines Work shall be performed in accordance with all the terms and conditions of this Lease and of the General Airport Agreement.

(iii) In addition to and without limiting the obligations set forth in paragraph (k)(3) of this Section, any portion of the Fuel Lines Work performed by the System Operator shall be performed by the System Operator on behalf of the Lessee and at

the Lessee's sole cost and expense. The Lessee shall assure that the costs and expenses of all Fuel Lines Work are separately allocated and billed to the Lessee by each of its contractors, including without limitation, by the System Operator, and in no event are any such costs and expenses to be allocated or billed as, or to become a part of, System Costs. Further, the Lessee shall communicate and cooperate (and require each of its contractors to communicate and cooperate) with the System Operator in all aspects of the Fuel Lines Work and shall coordinate the performance of the Fuel Lines Work with the System Operator. The Lessee shall include in each of its contracts and subcontracts covering the Fuel Lines Work or any portion thereof the foregoing requirements for cooperation, communication, coordination, allocation and billing.

(iv) In addition to and without limiting the obligations set forth in paragraph (k) of this Section, the Lessee shall in the performance of the Fuel Lines Work and in fulfillment of its obligations pursuant to subparagraph (xi) hereof, minimize to the greatest extent possible any disruption, interruption, delay or interference in the operation, performance, maintenance, repair or use of the System. To that end, prior to the Lessee's commencement of the Fuel Lines Work or any portion thereof, the Lessee shall submit to the Port Authority for the Port Authority's approval a plan to accomplish the foregoing and shall revise and update such plan as desirable or required throughout the performance of the Fuel Lines Work. Such plan shall include without limitation the sequencing and scheduling of all shut downs of any portion of the System such as but not limited to the sequencing and scheduling of all work to tie-in any portion of the Fuel Lines Work to the System and flushing and testing the Fuel Lines Work, and shall provide that only one of the Affected Distribution Lines shall be out of service at the same time and that no section of the System shall be taken or kept out of service during peak travel periods. Further, such plan shall include actions and procedures to be undertaken and followed in the event of any unscheduled or unexpected shut down or disruption of or interference with the operation or use of the of the System. The Lessee understands and agrees that no approval of the Port Authority shall relieve or release the Lessee from its obligations under this paragraph (q). The Port Authority shall have the right from time to time to require the Lessee to make changes to the plan and the Lessee shall comply therewith and with any and all such required changes.

(v) All Fuel Lines Work shall comply in all respects with the System License and all other Environmental Requirements and the Lessee shall take all actions to ensure such compliance. Further, if required or permitted by the New York State Department of Environmental Conservation or any other applicable Governmental Authority, the Lessee shall register, license and/or permit the Airline Terminal Portion of the System in accordance with Environmental Requirements in the name of the Lessee as the owner thereof and the System Operator as the operator thereof.

(vi) Notwithstanding paragraph (i) of this Section, title to the Airline Terminal Portion Work shall remain in the Lessee as the same or any part thereof is erected, constructed or installed and upon such erection, construction or installation the same shall be and become a part of the Airline Terminal Portion of the System for the purposes of this Agreement and the Airport Fueling Agreements including without limitation the Lessee assuming all risks, costs, expenses, responsibilities and liabilities in connection therewith and the same shall be and become a Tank (as such term is defined in Section 65 hereof entitled "Fuel Storage Tanks") and all the terms and conditions of Section 65 shall apply thereto.

(vii) Notwithstanding any terms or conditions in the Airport Fueling Agreements to the contrary, effective as of the Redesignation Date with respect to each Premises Distribution Line, that portion of such Premises Distribution Line constituting a portion of the Redesignated Airline Terminal Portion of the System shall be and become for the purposes of this Agreement and of the Airport Fueling Agreements a part of the Airline Terminal Portion of the System and a Tank and all the terms and conditions of Section 65 hereof shall apply thereto. Without limiting the generality of any other term or provision of this Agreement, from and after the Redesignation Date for each such Redesignated Airline Terminal Portion of the System, such Redesignated Airline Terminal Portion of the System shall no longer be or be deem to be a part of the Distribution Portion of the System and the Lessee shall take title to the same in its "as is" condition and shall release and relieve the Port Authority and Other Users from and shall assume all risks, costs, expenses, responsibilities and liabilities in connection with such Redesignated Airline Terminal Portion of the System.

(viii) Title to all the Distribution Portion Work and the Satellite Portion Work shall pass to the City of New York as the same or any portion thereof is erected, constructed and installed and effective upon the Acceptance Date of each portion of the Distribution Portion Work, such Distribution Portion Work shall be and become for the purposes of this Agreement and of the Airport Fueling Agreements a part of the Distribution Portion of the System and effective upon the Acceptance Date of each portion of the Satellite Portion Work, such Satellite Portion Work shall be and become for the purposes of this Agreement and of the Airport Fueling Agreements a part of the Satellite Portion of the System.

(ix) The Lessee shall take all actions to maintain and protect all manufacturer, contractor and vendor warranties (express and implied) of any New System Components.

(x) The Lessee hereby agrees as the lessee hereunder, as the lessee under the General Airport Agreement and as a User, that it shall not object to, challenge or make

any claim or demand (including without limitation one for or concerning arbitration), whether under this Agreement, the General Airport Agreement or any other Airport Fueling Agreement or otherwise, with respect to, on account of or arising out of any Permitted Modification, including without limitation, (aa) the failure of the Port Authority to have entered into any written agreement with, or to have obtained consents or approvals from, one or more Users in connection with any Permitted Modification or (bb) the inclusion or the failure to be included in the System Costs any maintenance, repair, replacement, operational or other costs and expenses with respect to a Permitted Modification.

(xi) Notwithstanding any other term or provision of this Agreement or any review by the Port Authority of the plans and specifications for the Fuel Lines Work or any comment of the Port Authority on or failure of the Port Authority to comment on the design, performance or installation of the Fuel Lines Work, or any inspection or approval by the Port Authority or by the System Operator of the Fuel Lines Work, or any terms or conditions of any Port Authority approval covering the Fuel Lines Work, or the existence of any patent or trade name, or any other facts or circumstances which could or could be construed to affect or relieve the Lessee from its obligations under this paragraph (q)(2)(xi), the Lessee unconditionally guarantees, warrants and represents to the Port Authority and the Other Users that:

(aa) the Fuel Lines Work shall be performed in accordance with and subject to all the terms and conditions of this Agreement and the General Airport Agreement,

(bb) the New System Components shall comply with all industry standards and Environmental Requirements applicable thereto and shall at all times be fully fit to perform all the functions and purposes for which they were designed and as required by and set forth in the General Airport Agreement,

(cc) the New System Components and the System shall at all times meet or exceed all aspects of the System as it existed prior to the commencement of the Fuel Lines Work, including without limitation, in capacity, integrity, functional capability, efficiency and operation,

(dd) the Fuel Lines Work shall not be included or includable in System Costs,

(ee) the New System Components shall not increase the costs and expenses to operate, maintain, repair or use the Distribution Portion or the Satellite Portion, or any portion thereof or increase the System Costs,

(ff) the New System Components shall at all times throughout their expected useful life operate free from any defects, deficiencies or failures of any kind, including without limitation, any leaks or any defects, deficiencies or failures in design, workmanship, construction or materials,

(gg) neither the Fuel Lines Work nor the New System Components shall violate any Environmental Requirement or cause or result in any Environmental Damages, and

(hh) the New System Components, including without limitation, the cathodic protection system to be installed by the Lessee as part of the Airline Terminal Portion Work, shall be designed to be and shall be fully integrated into and compatible with the Distribution Portion and the Satellite Portion of the System (each of the foregoing described in (aa), (bb), (cc), (dd), (ee), (ff), (gg) and (hh) and the warranties described in paragraph (d)(5) of this Section being herein called a "Warranty").

Upon the Lessee's receipt at any time and from time to time of notice from the Port Authority or any Governmental Authority or other Person that a Warranty has been breached or not complied with or in the event the Lessee becomes aware of or receives any other notice (constructive or otherwise) of a breach of or noncompliance with a Warranty (any such breach or noncompliance being herein called a "Defect"), the Lessee shall in accordance with all the terms and conditions of this Agreement including without limitation Section 33 hereof and at its sole cost and expense, repair, modify or replace such Defect or do whatever else shall be required to correct such Defect, including without limitation, removing, relocating and replacing all or a part of the New System Components and all necessary and required work to accomplish the foregoing and none of such costs and expenses shall be or become System Costs. The foregoing warranty, representation and guarantee shall not be a limitation on any expressed or implied warranty or guaranty otherwise available to the Port Authority or the Other Users or any of them, under this Agreement, any of the contracts for the Fuel Lines Work, law, equity or otherwise or a limitation on any other rights or remedies which the Port Authority and/or any Other Users may have in connection with the Fuel Lines Work, the System or the New System Components whether pursuant to the Airport Fueling Agreements, this Agreement, at law or equity, or otherwise.

(xii) Without limiting any other term or condition of this Agreement and in addition to the terms and conditions set forth elsewhere in this Lease, the Lessee hereby relieves and releases the Port Authority and the Other Users from and assumes all the Fuel Line Risks.

Agreement relating to such risks or claims, (y) to imply that the Lessee assumes or is responsible for risks or claims only of the type enumerated in this paragraph (q) or in any other portion of this Agreement, or (z) to limit the risks which the Lessee would assume or the claims or demands for which it would be responsible in the absence of such enumeration.

(3) In addition to and without affecting the obligations of the Lessee pursuant to paragraph (n) of this Section, when an integral and material portion of the Distribution Portion Work and/or the Satellite Portion Work is fully operational, has been successfully tested and properly flushed and is ready to be placed in service, the Lessee shall so advise the Port Authority and shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's licensed architect or engineer certifying that such portion of the Fuel Lines Work has been constructed, inspected and tested in accordance with approved plans and specifications, the provisions of the Lease and the General Airport Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, including without limitation the System License, and specifying the portion of the Distribution Portion Work and/or the Satellite Portion that has been so completed, inspected and tested. The Port Authority may in its sole discretion deliver a certificate to the Lessee with respect to such portion of the Distribution Portion Work and/or Satellite Portion Work stating that such portion may be placed in operation for the purposes set forth in the General Airport Agreement and subject to and in accordance with all the terms and conditions of this Lease and the General Airport Agreement and subject to the risks set forth in paragraph (f) hereof in the event that the Port Authority has not approved the plans and specifications for the Redevelopment Work and/or for the Remediation Work.

Section 3. Term

(a) The following terms when used in this Agreement shall have the respective meanings given below:

(1) "Airport Lease" shall mean either (i) the Basic Lease, as the same may have been supplemented, amended and extended or (ii) a New Airport Lease, as the same may have been supplemented, amended and extended, whichever shall be in full force and effect.

(2) "Airport Lease Extension Agreement" shall mean each agreement fully and duly executed by the Port Authority and the City of New York in a form satisfactory to the Port Authority and the City of New York and which has been fully and duly authorized by the Board of Commissioners of the Port Authority and with the approval of the authorized officials and entities of the City of New York and which supplements and amends the Basic Lease whereby the term of the letting of the Airport to the Port Authority (including the Premises) continues without interruption and is extended to a date subsequent to December 31, 2015 or which is a New Airport

Lease pursuant to which the Port Authority's letting of the Airport (including the Premises) continues without interruption or which supplements and amends the Airport Lease whereby the term of the letting to the Airport (including the Premises) to the Port Authority continues without interruption and is extended to a date subsequent to December 31, 2015.

(3) "Applicable Airport Lease Extension Agreement" shall have the meaning set forth in paragraph (d)(1) below and at any particular date shall mean the most recent Airport Lease Extension Agreement that the City of New York and the Port Authority have entered into and which is in full force and effect as of such particular date.

(4) "Current Lease" shall mean as of any particular date, this Lease as the same may have been amended, supplemented and extended as of such date.

(5) "Current Lease Expiration Date" shall mean as of the Effective Date, December 27, 2015 and shall mean as of any other date subsequent to the Effective Date, the date that the term of the letting under the Current Lease in effect as of such date shall expire by the express written terms and provisions thereof, provided, however, in no event shall there be any Current Lease Expiration Date which would occur after the Final Lease Extension Date.

(6) "Fee Transfer Agreement" shall mean an agreement fully and duly executed by the Port Authority and the City of New York in a form satisfactory to the Port Authority and the City of New York and which has been fully and duly authorized by the Board of Commissioners of the Port Authority and with the approval of the authorized officials and entities of the City of New York and which transfers the title to and ownership of the fee in the Airport and the Premises to the Port Authority.

(7) "Fee Transfer Date" shall mean a date prior to the Final Lease Extension Date and on which the closing of the transfer of title to and ownership of the fee in the Airport and the Premises to the Port Authority pursuant to a Fee Transfer Agreement shall have occurred.

(8) "Final Lease Extension Date" shall mean the earlier to occur of (i) the day immediately preceding the thirtieth (30th) anniversary of the Redevelopment Work Completion Date or (ii) the day immediately preceding the thirty-sixth (36th) anniversary of the Effective Date.

(9) "New Airport Lease" shall mean an agreement fully and duly executed by the Port Authority and the City of New York in a form satisfactory to the Port Authority and the City of New York and which has been fully and duly authorized by the Board of Commissioners of the Port Authority and with the approval of the authorized officials and entities of the City of New York and pursuant to which the Port Authority continues as the lessee of the Airport without interruption but is not an amendment, supplement or extension of the Basic Lease.

(10) "Paragraph (c) Extension Supplement" shall have the meaning set forth in paragraph (c)(3) of this Section.

(11) "Paragraph (d) Extension Supplement" shall have the meaning set forth in paragraph (d)(3) of this Section.

(12) "Permitted Tenancy" shall have the meaning set forth in paragraph (f) of this Section.

(b) The term of the letting under this Lease, as the same shall have commenced under Lease AYB-085, shall expire on December 27, 2015 unless sooner terminated in accordance with the terms and provisions of this Lease.

(c) (1) Without limiting paragraph (b) above or Section 26 hereof entitled "Surrender" or Section 28 hereof entitled "Effect of Basic Lease" or Section 31 hereof entitled "Limitation of Rights and Privileges Granted" or any other term, provision, covenant and condition of this Agreement and subject to the terms and provisions of paragraphs (e) and (f) of this Section, in the event and only in the event there shall be a Fee Transfer Date, the Port Authority hereby agrees but only as set forth in paragraph (c)(3) of this Section and subject to all of the terms and conditions set forth in this paragraph (c) and paragraphs (e) and (f) of this Section, to extend the term of the letting under the Current Lease then in effect from the Current Lease Expiration Date set forth in said Current Lease to the Final Lease Extension Date, which Final Lease Extension Date shall be set forth in a Paragraph (c) Extension Supplement as hereinafter set forth, provided, however, in no event shall the term of the letting under the Current Lease be extended pursuant to this paragraph (c) unless all the terms and conditions set forth in paragraphs (c)(2), (c)(3), (e) and (f) of this Section have been complied with and all of the following additional terms and conditions shall also have been complied with:

(A) Both immediately and at all times prior to the Fee Transfer Date and both immediately and at all times prior to the date of the Port Authority's execution and delivery of the Paragraph (c) Extension Supplement:

(aa) the term of the letting under the Current Lease shall be in full force and effect or, if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy, such Permitted Tenancy shall be in full force and effect;

(bb) neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of the letting under the Current Lease and if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a

Permitted Tenancy then, in addition to the foregoing, neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of such Permitted Tenancy;

(cc) the Lessee shall be in full compliance with all of the terms, provisions, covenants and conditions of the Current Lease on its part to be kept, performed and observed and if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy, the Lessee shall additionally be in full compliance with the terms, provisions, covenants and conditions of such Permitted Tenancy set forth in paragraphs (e) and (f) hereof, on its part to be kept, performed and observed; and further the Lessee shall not be in default or breach of any of the foregoing or, to the extent the Lessee has been granted a period to cure such default or breach by paragraph (a) of Section 20 hereof entitled "Termination by the Port Authority" prior to such default or breach giving rise to the right of the Port Authority to terminate the term of the letting, the Lessee shall be in the process of curing such default or breach in compliance with the terms and conditions of said paragraph (a) and the Port Authority shall have not given or served a notice of termination on the Lessee, provided, however, no Paragraph (c) Extension Supplement shall or shall be deemed to be a waiver of any rights or remedies of the Port Authority, including without limitation, any of it rights of termination, in the event that the Lessee does not cure such default or breach as required by the terms and conditions of the Current Lease;

(dd) there shall not have occurred any event of termination under any term or provision of the Current Lease, including without limitation Section 18 entitled "Condemnation", Section 20 entitled "Termination by the Port Authority", Section 52 entitled "Lessee's Financial Condition-Limitation of Lease Term-Triggering Events" and Section 54 entitled "Right of Termination-Securities Ownership";

(ee) there shall not have occurred any assignment of the Current Lease under Section 53 hereof entitled "Assignment to a Trust" or any Changes in Landlord Rights;

(ff) the term of the Current Lease and the letting thereunder shall not be on a month-to-month periodical basis pursuant to Section 52 or Section 53 hereof;

(gg) the use, occupancy and possession of the Premises by the Lessee and the use, occupancy and possession of the Airport and the Premises by the Port Authority shall have been continuous and without interruption from the Effective Date; and

(hh) none of the Triggering Events listed in Exhibit 52.1 shall have occurred.

(B) All of the Required Conditions shall have occurred; and

(C) The Lessee shall have submitted to the Port Authority such written representations, warranties and certifications, as may have been requested by the Port Authority as to each of the matters set forth in subparagraphs (A)(aa) through (A)(hh) and subparagraph (B) above.

(D) Such extension shall be permitted under, and shall not be in violation of, the Fee Transfer Agreement and the Fee Transfer Date and shall be in compliance with all applicable terms and conditions thereof.

(2) The Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to extend the term of the letting under the Current Lease or to enter into any Paragraph (c) Extension Supplement pursuant to this paragraph (c) unless and until a Fee Transfer Agreement is fully entered into and is in full force and effect, the Fee Transfer Date shall have occurred and all the other terms and conditions of this paragraph (c) shall have been complied with and unless such extension of the letting of the Premises to the Lessee and the resulting "Paragraph (c) Extension Supplement" would not be contrary to, inconsistent or conflict with, or violative of the terms and provisions of paragraphs (e) or (f) of this Section. Further, in any event when the Current Lease has expired by its express written terms whether on the occurrence of the Current Lease Expiration Date or otherwise and whether or not there is a Permitted Tenancy, the Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to not terminate, any use, occupancy, possession, tenancy or letting of the Premises by the Lessee which may occur after such expiration or to accept or not accept any rentals from the Lessee, it being understood and agreed however that the rights of the Port Authority to terminate any Permitted Tenancy shall be as set forth in the Current Lease.

(3) In the event (i) there is both a Fee Transfer Agreement and a Fee

Transfer Date, and (ii) all of the terms and conditions set forth in paragraphs (c)(1) and (c)(2) of this Section have been complied with, and only in such event, the Final Lease Extension Date shall be set forth in a supplement to the Current Lease prepared by the Port Authority and sent to the Lessee for execution by it; which supplement shall extend the term of the letting thereunder to the Final Lease Extension Date and shall include such other additional terms and provisions as the Port Authority may determine appropriate, it being understood that said proposed supplement shall not change the location or size of the Premises or the rentals hereunder, provided, however, notwithstanding the foregoing said proposed supplement may require the Lessee to pay to the Port Authority any or all of the Port Authority's increased costs under or arising out of or resulting from the Fee Transfer Agreement, the Fee Transfer Date or any Permitted Tenancy (but the Lessee shall not be obligated to have paid the Port Authority more that once for the same such increased costs under or arising out of or resulting from any Permitted Tenancy) directly or proportionately attributable or related to the Premises hereunder, the Current Lease (as the same may be supplemented by the Paragraph (c) Extension Supplement, if any, arising from the Fee Transfer Agreement and the Fee Transfer Date) or the Lessee, provided, further, however, the Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to such increased costs of the Port Authority under or arising out of or resulting from the Fee Transfer Agreement, the Fee Transfer Date or any Permitted Tenancy that all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner. Within thirty (30) days after the Port Authority has sent said proposed supplement to the Lessee, the Lessee shall properly execute and return the said proposed supplement to the Port Authority for its execution and delivery. In the event the Lessee fails so to properly execute and return the said proposed supplement to the Port Authority then the Port Authority shall have no further or other obligation with respect to any proposed extension of the letting under the Current Lease under this paragraph (c) or with respect to any other extension of the letting of the Premises to the Lessee or any other letting of the Premises to the Lessee and there shall be no extension of the term of the letting of the Premises to the Lessee pursuant to this paragraph (c) or otherwise to the Final Lease Extension Date or to any other date, and the respective rights and obligations of the parties regarding the Lessee's use, occupancy and possession of the Premises after December 27, 2015 or later Current Lease Expiration Date, if any, shall be as set forth in and subject to paragraphs (e) and (f) hereof. If the said supplement is fully executed and delivered by both the Port Authority and the Lessee, upon such execution and delivery the same shall be the "Paragraph (c) Extension Supplement" as such term is used herein and the Port Authority shall have no further obligation whatsoever to extend the term of the letting hereunder or otherwise.

(d) (1) Without limiting paragraphs (b) or (c) above or Section 26 hereof entitled "Surrender" or Section 28 hereof entitled "Effect of Basic Lease" or Section 31 hereof entitled "Limitation of Rights and Privileges Granted" or any other term, provision, covenant and condition of this Agreement and subject to the terms and provisions of paragraphs (e) and (f) of this Section, in the event that all of the following shall be the case and only in such event:

(i) there shall have been no preceding Fee Transfer Date,

(ii) an Airport Lease Extension Agreement meeting all the requirements set forth in paragraph (a)(2) of this Section shall have been entered into (each such new Airport Lease Extension Agreement being herein also sometimes referred to as an "Applicable Airport Lease Extension Agreement"), and

(iii) the Current Lease shall have not been extended to or beyond the Final Lease Extension Date,

then and only then the Port Authority hereby agrees but only as set forth in paragraph (d)(3) of this Section and subject to all the terms and conditions in this paragraph (d) and paragraphs (e) and (f) of this Section, to extend the term of the letting under the Current Lease then in effect from the Current Lease Expiration Date set forth in said Current Lease to the earlier to occur of the Final Lease Extension Date or the day immediately preceding the expiration date of the Airport Lease set forth in said Applicable Airport Lease Extension Agreement, which new Current Lease Expiration Date shall be set forth in a Paragraph (d) Extension Supplement as hereinafter set forth, provided, however, in no event shall the term of the letting under the Current Lease be extended pursuant to this paragraph (d) unless all of the terms and conditions set forth in paragraphs (d)(2), (d)(3), (e) and (f) of this Section have been complied with and all of the following additional terms and conditions shall also have been complied with:

(A) Both immediately and at all times prior to the effective date of the Applicable Airport Lease Extension Agreement and both immediately and at all times prior to the date of the Port Authority's execution and delivery of the Paragraph (d) Extension Supplement arising from said Applicable Airport Lease Extension Agreement:

(aa) the term of the letting under the Current Lease shall be in full force and effect or if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy, such Permitted Tenancy shall be in full force and effect;

(bb) neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of the letting under the Current Lease and if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy then, in addition to the foregoing, neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of such Permitted Tenancy;

(cc) the Port Authority shall not be in receipt of, nor have given or served, any valid notice of termination of the Port Authority's tenancy, possession, use, occupancy or other interest or estate in the Airport, including without limitation the Premises, whether under the Airport Lease, any hold over or other tenancy, occupancy or use or otherwise;

(dd) the Lessee shall be in full compliance with all of the terms, provisions, covenants and conditions of the Current Lease on its part to be kept, performed and observed and if the Current Lease Expiration Date shall have occurred and the Lessee shall continue to use, occupy or possess the Premises under a Permitted Tenancy, the Lessee shall additionally be in full compliance with the terms, provisions, covenants and conditions of such Permitted Tenancy set forth in paragraphs (e) and (f) hereof, on its part to be kept, performed and observed; and further the Lessee shall not be in default or breach of any of the foregoing or, to the extent the Lessee has been granted a period to cure such default or breach by paragraph (a) of Section 20 hereof entitled "Termination by the Port Authority" prior to such default or breach giving rise to the right of the Port Authority to terminate the term of the letting, the Lessee shall be in the process of curing such default or breach in compliance with the terms and conditions of said paragraph (a) and the Port Authority shall have not given or served a notice of termination on the Lessee, provided, however, no Paragraph (d) Extension Supplement shall or shall be deemed to be a waiver of any rights or remedies of the Port Authority, including without limitation, any of it rights of termination, in the event that the Lessee does not cure such default or breach as required by the terms and conditions of the Current Lease;

(ee) there shall not have occurred any event of termination under any term or provision of the Current Lease, including without limitation Section 18 entitled "Condemnation", Section 20 entitled "Termination by the Port Authority", Section 52 entitled "Lessee's Financial Condition-Limitation of Lease Term-Triggering Events" and Section 54 entitled "Right of Termination-Securities Ownership";

(ff) there shall not have occurred any assignment of the Current Lease under Section 53 hereof entitled "Assignment to a Trust" or any Changes in Landlord Rights;

(gg) the use, occupancy and possession of the Premises by the Lessee and the use, occupancy and possession of the Airport and the Premises by the Port Authority shall have been continuous and without interruption from the Effective Date;

(hh) the term of the Current Lease and the letting thereunder shall not be on a month-to-month periodical basis pursuant to Section 52 or Section 53 hereof; and

(ii) none of the Triggering Events listed in Exhibit 52.1 shall have occurred.

(B) All of the Required Conditions shall have occurred; and

(C) The Lessee shall have submitted to the Port Authority such written representations, warranties and certifications, as may have been requested by the Port Authority as to each of the matters set forth in subparagraphs (A)(aa) through (A)(ii) and subparagraph (B) above.

(2) The Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to extend the term of the letting under the Current Lease or to enter into any Paragraph (d) Extension Supplement pursuant to this paragraph (d) unless and until the Applicable Airport Lease Extension Agreement extending the Airport Lease beyond December 27, 2015 or beyond the Current Lease Expiration Date set forth in such Current Lease is fully entered into and is in full force and effect and all the other terms and conditions of this paragraph (d) have been complied with and unless such extension of the letting of the Premises to the Lessee and the resulting "Paragraph (d) Extension Supplement" would not be contrary to, inconsistent or conflict with or violative of the terms and provisions of paragraphs (e) or (f) or of this Section. Further, in any event when the Current Lease has expired by its express written terms whether on the occurrence of the Current Lease Expiration Date or otherwise and whether or not there is a Permitted Tenancy, the Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to not terminate, any use, occupancy, possession, tenancy or letting of the Premises by the Lessee which may occur after such expiration or to accept or not accept any rentals from the Lessee, it being understood and agreed however that the rights of the Port Authority to terminate any Permitted Tenancy shall be as set forth in the Current Lease.

(3) (i) In the event there is both (i) an Applicable Airport Lease Extension Agreement, as aforesaid in subparagraph (d)(1) above which complies with all of the requirements for an Airport Lease Extension Agreement set forth in paragraph (a)(2) above,

extending the Airport Lease beyond the day immediately following the Current Lease Expiration Date set forth in the Current Lease then in effect and (ii) all of the terms and conditions set forth in paragraphs (d)(1) and (d)(2) of this Section have been complied with, and only in such event, the new expiration date of the term of the letting under the Current Lease shall be set forth in a supplement to the Current Lease prepared by the Port Authority and sent to the Lessee for execution by it; which supplement shall extend the term of the letting thereunder to the earlier to occur of the Final Lease Extension Date or the day immediately preceding the expiration date of the Airport Lease set forth in said Applicable Airport Lease Extension Agreement giving rise to such extension of the letting hereunder and shall include such other additional terms and provisions as the Port Authority may determine appropriate, it being understood that said proposed supplement shall not change the location or size of the Premises or the rentals hereunder, provided, however, notwithstanding the foregoing said proposed supplement may require the Lessee to pay to the Port Authority any or all of the Port Authority's increased costs under or arising out of or resulting from said Applicable Airport Lease Extension Agreement or from any Permitted Tenancy (but the Lessee shall not be obligated to have paid the Port Authority more that once for the same such increased costs under or arising out of or resulting from any Permitted Tenancy) directly or proportionately attributable or related to the Premises hereunder, the Current Lease (as the same may be supplemented by the Paragraph (d) Extension Supplement, if any, arising from said Applicable Airport Lease Extension Agreement), or the Lessee, provided, further, however, the Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to such increased costs of the Port Authority under or arising out of or resulting from said Applicable Airport Lease Extension Agreement or from any Permitted Tenancy, that all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner.

(ii) Within thirty (30) days after the Port Authority has sent to the Lessee the said proposed supplement referred to in subparagraph (i) above, the Lessee shall properly execute and return the said proposed supplement to the Port Authority for its execution and delivery. In the event the Lessee fails so to properly execute and return the said proposed supplement to the Port Authority then the Port Authority shall have no further or other obligation with respect to any proposed extension of the letting under the Current Lease under this paragraph (d) or with respect to any other extension of the letting of the Premises to the Lessee or any other letting of the Premises to the Lessee and there shall be no extension of the term of the letting of the Premises to the Lessee pursuant to this paragraph (d) or otherwise to the Final Lease Extension Date or to any other date, and the respective rights and obligations of the parties regarding the Lessee's use, occupancy and possession of the Premises after December 27, 2015 or later Current Lease Expiration Date, if any, shall be as set forth in and subject to paragraphs (e) and (f) hereof.

(iii) If the said supplement is fully and duly executed and delivered by both the Port Authority and the Lessee, upon such execution and delivery the same shall be a "Paragraph (d) Extension Supplement" and the expiration of the term of the letting hereunder set forth in said Paragraph (d) Extension Supplement shall be and become the Current Lease Expiration

Date until a subsequent Paragraph (d) Extension Supplement, if any, is executed as provided for and in accordance with this paragraph (d) extending the term of the letting hereunder beyond said Current Lease Expiration Date, provided, however, when and if the term of the Current Lease is extended to the Final Lease Extension Date, then the Paragraph (d) Extension Supplement containing such Final Lease Extension Date shall be the final Paragraph (d) Extension Supplement and the Port Authority shall have no further obligation whatsoever to extend the term of the letting under the Current Lease or to enter into any other Paragraph (d) Extension Supplement.

(e) (1) The Port Authority shall have no obligation whatsoever to the Lessee or to any other Person or entity to extend the Basic Lease and the term of the letting thereunder beyond December 31, 2015 or to any other date, or to enter into any New Airport Lease or to extend the term of the letting thereunder, or to enter into any Airport Lease Extension Agreement, or to become the owner of the fee in the Airport or in the Premises, or to enter into, complete or effect a Fee Transfer Agreement, a Fee Transfer Date or any other agreement of lease or other transaction, sale or other transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport or the Premises after the expiration of the Airport Lease or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport or the Premises after the expiration the Airport Lease, and nothing in this Lease shall impose or be deemed to impose any obligation, duty, responsibility or liability whatsoever on the Port Authority to extend the Basic Lease and the term of the letting thereunder beyond December 31, 2015 or to any other date, or to enter into any New Airport Lease or to extend the term of the letting thereunder, or to enter into any Airport Lease Extension Agreement, or to become the owner of the fee in the Airport or in the Premises, or to enter into, complete or effect a Fee Transfer Agreement, a Fee Transfer Date or any other agreement of lease or other transaction, sale or other transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport or the Premises after the expiration of the Airport Lease or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport or the Premises after the expiration the Airport Lease, or to enter into, hold or continue any discussions or negotiations with the City of New York or any other Person or entity with respect thereto. The Port Authority shall have full, complete and sole right and discretion to discuss, negotiate and to enter into or not discuss, negotiate or enter into any agreement with the City of New York or any other Person or entity for any extension of the term of the Basic Lease or for any New Airport Lease or for any Airport Lease Extension Agreement or for any Fee Transfer Agreement or for any Fee Transfer Date or for any other agreement of lease or other transaction, sale or transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport or the Premises after the expiration of the Airport Lease or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport

or the Premises after the expiration the Airport Lease, and as to any and all of the terms and conditions of any such extensions or other agreements, and neither this Section nor paragraphs (c), (d) or (f) of this Section 3 nor anything contained therein shall or shall be deemed to impair, limit or affect the said right and discretion of the Port Authority or to grant to the Lessee or any other Person or entity any right, claim or remedy hereunder or otherwise with respect to the Basic Lease, any New Airport Lease, any Airport Lease Extension Agreement, or any extension or non-extension of the term thereof, or with respect to any Fee Transfer Agreement or any Fee Transfer Date or any other agreement of lease or other transaction, sale or other transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right in or with respect to the Airport or the Premises in or of the Port Authority after the expiration of the Airport Lease, or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport or the Premises after the expiration or termination of the Airport Lease. The Lessee hereby expressly understands, acknowledges, agrees and accepts that the Port Authority hereby makes no promises, representations, assurances, agreements or commitments of any kind whatsoever that it will undertake or enter into any discussions, negotiations, or agreements with the City of New York or any other Person or entity with respect to any extension of the Airport Lease, any New Airport Lease, any Airport Lease Extension Agreement, any Fee Transfer Agreement or any Fee Transfer Date or any other agreement of lease or other transaction, sale or other transfer which would continue, create or transfer any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport or the Premises after the expiration of the Airport Lease or for the Port Authority to continue or create any occupancy, use, possession, tenancy, estate, interests or rights of the Port Authority or any other Person or entity in or with respect to the Airport or the Premises after the expiration the Airport Lease.

(2) (i) Without limiting or affecting any of the terms and conditions of Section 26 hereof entitled "Surrender", Section 28 hereof entitled "Effect of Basic Lease" or Section 31 hereof entitled "Limitation of Rights and Privileges Granted", the Lessee covenants and agrees as follows: The Current Lease and the letting of the Premises to the Lessee shall be subject, subordinate and subservient to the Airport Lease and the Fee Transfer Agreement and the Fee Transfer Date, as the case shall be, and to the tenancy, estate, interests and rights of the Port Authority in or with respect to the Airport or under the Airport Lease including any and all Airport Lease Extension Agreements and to any and all terms and provisions thereof which affect or may affect the terms and provisions of the Current Lease and subject to the Port Authority's right and election to or not to continue or defend any use, occupancy, possession, tenancy, estate, interest or right of the Port Authority in or with respect to the Airport. Without limiting the generality of the foregoing, the Lessee's use, occupancy and possession of, and the Lessee's rights, interests, tenancy and estate in and with respect to, the Premises, including without limitation any Permitted Tenancy, shall at all times be and remain subordinate, subservient and subject to the Port Authority's use, occupancy, possession, rights, interests, tenancy and estate in and with respect to the Premises and the Airport.

(ii) In addition, the Lessee covenants and agrees that no act or omission of the Lessee shall serve to defeat or deny, be adverse to, or be inconsistent or interfere with, the Port Authority's use, occupancy, possession, claims, rights, interests, tenancy or estate in or with respect to the Airport or any portion thereof, including without limitation the Premises, or the landlord tenant relationship between the Port Authority (as landlord) and the Lessee (as tenant). Further, the Lessee covenants and agrees that it shall not do anything or take any action (including without limitation entering into any agreement, concurrent or other lease, contract, memorandum or other writing or instrument for or with respect to the Premises or the Airport with the City of New York or any other Person or entity) the intent, effect or result of which would defeat or deny, be adverse to, or be inconsistent or interfere with, the Port Authority's use, occupancy, possession, claims, rights, interests, tenancy or estate in or with respect to the Airport or any portion thereof, including without limitation the Premises. Without limiting the foregoing, for such period as the Port Authority shall use, occupy or possess, or shall have any right, interest or estate in or with respect to or shall have any claim to the use, occupancy or possession of, the Airport or the Premises, the Lessee shall not attorn to, or become the tenant of, any Person or entity (other than the Port Authority) and the Lessee at all such times as it shall use, occupy or possess the Premises shall do so as the tenant of the Port Authority and not of the City of New York or of any other Person or entity (other than the Port Authority) and all payments of rentals payable under the Current Lease, including without limitation during any Permitted Tenancy, and payments for use and occupancy of the Premises shall be payable and paid by the Lessee to the Port Authority and to no other Person or entity. Without limiting any of the foregoing, no act or omission of the Lessee (including without limitation the Lessee entering into any agreement, concurrent or other lease, contract, memorandum or other writing or instrument for or with respect to the Premises or the Airport with the City of New York or any other Person or entity) shall result in or have the effect of resulting in the Lessee having any use, occupancy, possession, tenancy, estate, right, claim or interest in the Premises or the Airport (i) which would be superior, equal or adverse to that of the Port Authority or (ii) which would become effective prior to the time that the Port Authority shall have surrendered, delivered or transferred its possession, use and/or occupancy of the Airport and the Premises or prior to the time that all of the Port Authority's claims, interests, rights, tenancy and estate in and with respect to, and its possession, use and/or occupancy of, the Airport and the Premises shall have been extinguished or (iii) which would result or effect an attornment by the Lessee to the City or to any other Person or entity (other than the Port Authority). Further, the Lessee covenants and agrees that it shall not do anything or take any action (including without limitation entering into any agreement, concurrent or other lease, contract, memorandum or other writing or instrument for or with respect to the Premises or the Airport with the City of New York or any other Person or entity) the intent, effect or result of which would be the Lessee having any use, occupancy, possession, tenancy, estate, right, claim or interest in the Premises or the Airport (i) which would be superior, equal or adverse to that of the Port Authority or (ii) which would become effective prior to the time that the Port Authority shall have surrendered, delivered or transferred its possession, use and/or occupancy of the Airport and the Premises or prior to the time that all of the Port Authority's claims, interests, rights, tenancy and estate in and with respect to, and its possession, use and/or occupancy of, the

Airport and the Premises shall have been extinguished or (iii) which would result or effect an attornment by the Lessee to the City or to any other Person or entity (other than the Port Authority).

(iii) The Lessee shall execute such documents and instruments, make such representations, certifications and warranties and provide such other cooperation, as may be requested by the Port Authority, to effectuate and complete such proposed Fee Transfer Agreement and Fee Transfer Date.

(3) It is expressly understood and agreed that the Port Authority shall have no obligation hereunder or otherwise to make any payment to the Lessee, including without limitation any payment of the Lessee's Unamortized Redevelopment Investment, in the event for any reason there is no extension of the term of the letting hereunder beyond December 27, 2015 or if there is no Permitted Tenancy thereafter or, if there is any extension of the term of the letting hereunder beyond December 27, 2015, there is no extension of the term of the letting under the Current Lease to the Final Lease Extension Date or no Permitted Tenancy after any Current Lease Expiration Date and that nothing in this Section including without limitation paragraphs (c) and (d) hereof nor anything contained therein nor any action taken or not taken under this Section or as a result thereof shall or shall be deemed to impose any such obligation on the Port Authority or to constitute any agreement, duty, responsibility or liability of the Port Authority for any such payment.

(4) Nothing in this Section 3, nor the operation thereof, nor any rights granted thereby, nor any action taken or not taken thereunder, shall or shall be deemed to release or relieve the Lessee from any liability or obligation to the Port Authority under this Lease or otherwise or to waive, impair, alter, limit or restrict any of the rights or remedies of the Port Authority in law or in equity under this Lease or otherwise. Without limiting the generality of the foregoing, the Lessee understands and agrees that nothing in this Section shall or shall be deemed to have to waived, impaired, altered, limited or restricted the Lessee's obligations under Section 26 hereof entitled "Surrender"or Section 28 hereof entitled "Effect of Basic Lease"or to have granted to the Lessee any rights whatsoever whether under this Lease, the Current Lease or otherwise which would be contrary to, a breach of, or conflict or be inconsistent with, the terms and conditions of said Sections or with the Basic Lease or the Airport Lease. Without limiting the generality of the foregoing, in the event the Lessee or any Person or other entity claiming by, through or under the Lessee is in use, occupancy or possession of the Premises or any portion thereof in violation of any the foregoing or any other term or condition of the Current Lease, the Port Authority, in addition to and without limiting any of its other rights and remedies, may recover from the Lessee any and all damages whatsoever resulting from or in connection therewith, including without limitation, direct, indirect and consequential damages and those which may be unforeseen.

(5) In no event shall the Current Lease, or the letting thereunder, or any

Permitted Tenancy, be or be deemed to be by the provisions of this Agreement or by operation of law or otherwise an assignment thereof or of the Airport Lease in whole or in part. It is the express intention of the parties hereto that unless there shall have been a Fee Transfer Date, the Lessee's right hereunder to possess, occupy and use the Premises shall (subject to any and all rights of termination by the Port Authority) in any and all events expire, unless sooner terminated by the Port Authority, not later than the day preceding the expiration of the Port Authority's rights of possession, occupancy and/or use with respect to the Premises and, accordingly, until all of the Port Authority's rights of possession, use and/or occupancy with respect to the Premises shall have been terminated, the Port Authority shall and shall be deemed to have and to have retained a reversionary interest of at least one day prior to the date that the Lessee's right of possession, occupancy and/or use of the Premises shall have expired or shall have been terminated and any tenancy, possession, use or occupancy of the Premises by the Lessee shall be subject and subordinate to such reversionary interest of the Port Authority.

(6) The Lessee understands and agrees that the terms and conditions of paragraphs (c), (d) and paragraph (f) hereof shall be in all respects subject to, subordinate, and subservient to the terms and conditions of this paragraph (e) and, in the event that any of the terms and conditions of paragraphs (c), (d) or paragraph (f) are inconsistent or conflict with, or are contrary to, or violate any of the terms and conditions of this paragraph (e) or Sections 26 or 28 hereof whether expressly or by the operation thereof pursuant to law, equity or otherwise, that the terms and conditions of this paragraph (e) and Sections 26 and 28 hereof shall in all respects be controlling, determinative and effective.

(7) Without limiting the generality of the terms and conditions of Section 13 hereof entitled "Indemnity and Liability Insurance", the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses, whether those of the Port Authority's Law Department or otherwise, incurred in connection with the defense of) all claims and demands whatsoever including without limitation direct, indirect, consequential or unforeseen damages, of third persons resulting from or in connection with any of the terms and conditions of this Section 3 or any Permitted Tenancy or any of the rights granted to the Lessee by this Section or the exercise thereof or any breach of or default under the Basic Lease by the Port Authority on account thereof, including without limitation, any use, occupancy or possession of the Premises by the Lessee upon the expiration or termination of the Basic Lease or any Airport Lease or any Permitted Tenancy, the foregoing to include without limitation all claims and demands of the City of New York or any other Person or entity claiming on behalf of, by, under or through the City, for indemnification or otherwise, arising by operation of law or through agreement of the Port Authority with the said City. If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it 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 provisions of any statutes respecting suits against the Port Authority.

(f) (1) In the event that the Current Lease Expiration Date shall have occurred and the Port Authority shall continue without interruption the use, occupancy and possession of the Airport, including without limitation the Premises, with the permission of the City (it being understood and agreed that for the purpose of the foregoing no occupancy, use or possession of any portion of the Airport by, under or through the Lessee shall or shall be deemed to be any use, occupancy or possession of the Airport, including the Premises, by the Port Authority), then for so long as the Port Authority's use, occupancy and/or possession of the Airport with the permission of the City (the foregoing to exclude as aforesaid any use, occupancy and/or possession of any portion of the Airport by, through or under the Lessee) shall continue without interruption and without a Fee Transfer Date or a Paragraph (d) Extension Supplement, the Lessee's continued and uninterrupted use, occupancy and possession of the Premises, subject to the terms and provisions of paragraph (f)(2) below, shall for the purposes of this Section be a "Permitted Tenancy", provided, however, all the terms and provisions of paragraph (f)(2) below shall have been satisfied and further that such use, occupancy such Permitted Tenancy shall be subject to the following terms and conditions:

(aa) No Permitted Tenancy shall continue beyond, and shall in all events end upon, the earliest to occur of (i) the Final Lease Expiration Date or (ii) one day prior to the earlier to occur of the surrender or delivery by the Port Authority of its use, occupancy or possession of the Airport; it being understood and agreed that no occupancy, use or possession of any portion of the Airport by, under or through the Lessee shall or shall be deemed to be any use, occupancy or possession of the Airport, including the Premises, by the Port Authority for the purpose of the foregoing or (iii) one day prior to the date that all of the rights of the Port Authority to use, occupy or possess the Airport shall have been terminated or (iv) the effective date of a Paragraph (c) Extension Supplement or any Paragraph (d) Extension Supplement, provided, however, no Permitted Tenancy shall in any event continue after the 30th day after the Port Authority shall have delivered to the Lessee a proposed paragraph (c) extension supplement pursuant to paragraph (c) of this Section or after the 30th day after the Port Authority shall have delivered to the Lessee a proposed paragraph (d) extension supplement pursuant to paragraph (d) of this Section, and

(bb) All the terms and conditions of the Current Lease, including without limitation all the terms and conditions of this Section, shall apply and pertain to any Permitted Tenancy except that in addition to the rentals set forth in Section 4 hereof or elsewhere in the Current Lease the Lessee shall pay to the Port Authority a further additional rental equal to all of the Port Authority's increased costs under, arising out of, or resulting

from, the Port Authority's use, occupancy and or possession of the Airport during the time that any Permitted Tenancy shall be in effect which are directly or proportionately attributable or related to the Premises, the Current Lease, the Lessee or the Permitted Tenancy, which additional rental shall be in such amount as shall be billed by the Port Authority to the Lessee and shall be paid by the Lessee to the Port Authority within ten (10) days of receipt of the bill therefor, provided, however, the Port Authority has advised the Lessee that it is the intention of the Port Authority that with respect to such increased costs of the Port Authority, that all Aircraft Operators at the Airport which are similarly situated will be treated in a similar manner.

(2) In no event shall there be any Permitted Tenancy unless on, and at all times prior to, the Current Lease Expiration Date all of the following terms and conditions shall have been complied with:

(aa) the term of the letting under the Current Lease be in full force and effect;

(bb) neither the Lessee nor the Port Authority shall be in receipt of, or have served or given, any valid notice of termination of the letting under the Current Lease;

(cc) the Port Authority shall not be in receipt of, nor have given or served, any valid notice of termination of the Port Authority's tenancy, possession, use, occupancy or other interest or estate in the Airport, including without limitation the Premises, whether under the Airport Lease, any hold over or other tenancy, occupancy or use or otherwise;

(dd) neither the City nor any other Person or entity claiming on behalf of, by or under the City shall have commenced any action or proceeding in a court of competent jurisdiction against the Port Authority or the Lessee or the interest or estate of the Port Authority or the Lessee for the use, occupancy or possession of the Premises or the Airport or other relief or damages in connection with possession of the Premises or the Airport, whether by way of an action for ejectment, eviction, summary proceedings or otherwise, provided, however, that where such action or proceeding shall have so commenced and the same is resolved or decided so that all of the terms and conditions set forth in this paragraph (f) are fully satisfied, including without limitation the continued, uninterrupted possession of the Airport by the Port Authority with the permission of the City and the continued, uninterrupted possession of the Premises by the Lessee, then said commencement of such action or proceeding shall not prevent the Permitted Tenancy;

(ee) the Lessee shall be in full compliance with all of the terms, provisions, covenants and conditions of the Current Lease on its part to be kept, performed and observed on the Current Lease Expiration Date; and further the Lessee shall not be in default or breach of any of the foregoing or, to the extent the Lessee has been granted a period to cure such default or breach by paragraph (a) of Section 20 hereof entitled

"Termination by the Port Authority" prior to such default or breach giving rise to the right of the Port Authority to terminate the term of the letting, the Lessee shall be in the process of curing such default or breach in compliance with the terms and conditions of said paragraph (a) and the Port Authority shall have not given or served a notice of termination on the Lessee, provided, however, no Permitted Tenancy shall or shall be deemed to be a waiver of any rights or remedies of the Port Authority, including without limitation, any of it rights of termination, in the event that the Lessee does not cure such default or breach as required by the terms and conditions of the Current Lease;

(ff) there shall not have occurred any event of termination under any term or provision of the Current Lease, including without limitation Section 18 entitled "Condemnation", Section 20 entitled "Termination by the Port Authority", Section 52 entitled "Lessee's Financial Condition-Limitation of Lease Term-Triggering Events" and Section 54 entitled "Right of Termination-Securities Ownership";

(gg) there shall not have occurred any assignment of the Current Lease under Section 53 hereof entitled "Assignment to a Trust" or any Changes in Landlord Rights;

(hh) the use, occupancy and possession of the Premises by the Lessee and the use, occupancy and possession of the Airport and the Premises by the Port Authority shall have been continuous and without interruption from the Effective Date;

(ii) the term of the Current Lease and the letting thereunder shall not be on a month-to-month periodical basis pursuant to Section 52 or Section 53 hereof;

(jj) none of the Triggering Events listed in Exhibit 52.1 shall have occurred;

(kk) there shall have been no preceding Fee Transfer Date,

(ll) the Current Lease shall have not been extended to or beyond the Final Lease Extension Date,

(mm) All of the Required Conditions shall have occurred; and

(nn) The Lessee shall have submitted to the Port Authority such written representations, warranties and certifications, as may have been requested by the Port Authority as to each of the matters set forth in subparagraphs (aa) through (mm) above.

(3) Notwithstanding subparagraph (1) of this paragraph (f), nothing in this paragraph shall or shall be deemed to grant any rights in the Lessee to cause or be the reason for the Port Authority to be in breach of the Airport Lease or of any of the Port Authority's covenants or obligations to the City or to any other Person with respect to the use, occupancy or possession of the Premises by, through or under the Port Authority or by, through or under the Lessee and the

Lessee hereby expressly covenants and agrees that at no time shall the Lessee's use, occupancy or possession of the Premises cause or result in any breach of the Airport Lease or of any of the covenants or obligations of the Port Authority to the City or any other Person or entity or be the basis upon which any claim or demand is made against the Port Authority by the City or any other Person or entity. Further, nothing in this paragraph shall or shall be deemed to have created any obligation whatsoever in the Port Authority to continue in or defend any use, occupancy or possession of the Airport or the Premises by the Port Authority, the Lessee or other Person or entity after any Current Lease Expiration Date and the terms and conditions of this paragraph (f) shall be in all respects subject to, subordinate, and subservient to the terms and conditions of paragraph (e) of this Section, including without limitation, that any Permitted Tenancy shall be in all respects subject to, subordinate, and subservient to the Port Authority's use, occupancy, possession, rights, interests, tenancy and estate in and with respect to the Premises and the Airport.

(4) It is hereby agreed that no Permitted Tenancy shall or shall be deemed to be a hold over tenancy and nothing in this paragraph shall or shall be deemed to have created any obligation in the Port Authority or any right or interest in the Lessee or to any other Person or entity for the Lessee to be or become a hold over tenant of or under the Port Authority, provided, however, that all the terms and conditions of the Current Lease with respect to month-to-month periodical tenancies, including without limitation Sections 52 and 53 thereof, shall remain and be in full force and effect during the term of any Permitted Tenancy.

(g) Without limiting any other term or provision hereof, all the terms and provisions of this Section and the obligations of the Lessee thereunder shall survive the expiration or earlier termination of the letting under this Lease or shall survive any under any Current Lease and the expiration or earlier termination of any Permitted Tenancy

Section 4. Rental

Without affecting the rentals or the payment thereof under the Lease prior to the Effective Date, it is hereby agreed that from and after the Effective Date the rentals payable by the Lessee to the Port Authority under the Lease shall be as follows:

I. Definitions:

For the purposes of the Lease the following terms shall have the respective meanings given below:

(a) "Adjustment Period" shall mean as the context requires the twelve-month period commencing on January 1, 2001 and expiring on December 31, 2001, and each of the succeeding twelve-month periods thereafter occurring during the term of the letting under the Lease commencing on each January 1 and in the event the Lease expires or is terminated on other than the last day of an Adjustment Period then in such event "Adjustment Period" shall mean the actual number of days during such Adjustment Period that the Lease was in effect.

(b) "Area IA and IB Building Rental" shall mean the rental payable by the Lessee to the Port Authority for the Building No. 57 Area IA and the Building No. 57 Area IB pursuant to and calculated in accordance with the terms of paragraph (b) of Subdivision II this Section.

(c) "Area I Building Area" shall mean the Building No. 57 Area IA. the Building No. 57 Area IB and the Building No. 57 Area IC.

(d) "Area I Building Rental" shall mean the rental payable by the Lessee to the Port Authority for the Area I Building Area pursuant to and calculated in accordance with the terms of paragraph (c) of Subdivision II this Section.

(e) "Area II Building Area" shall mean the interior space (as described in Subdivision IV below) as shown in diagonal hatching and the pedestrian connector as shown in stipple diagonal hatching on pages 4 and 5 of the exhibit attached hereto, hereby made a part hereof and marked "Exhibit 4.1" (which exhibit is herein called "Exhibit 4.1").

(f) "Area II Building Rental" shall mean the rental payable by the Lessee to the Port Authority for the Area II Building Area pursuant to and calculated in accordance with the terms of paragraph (d) of Subdivision II of this Section.

(g) "Base Terminal Rental Rate" shall mean the rental rate calculating in accordance with and pursuant to paragraph (e)(1) below.

(h) "Building No. 57 Area IA" shall mean the interior space (as described in Subdivision IV below) designated by the letter "A", and more specifically including Area 3-A, Area 4-A, Area 7-A, Area 9-A, Area 14-A, Area 15-A, Area 16-A, Area 21-A, Area 26-A and Area 29-A as shown on pages 1 through 3 of Exhibit 4.1 hereof.

(i) "Building No. 57 Area IB" shall mean the interior space (as described in Subdivision IV below) designated by the letter "B", and more specifically including Area 1-B, Area 2-B, Area 11-B, Area 12-B, Area 13-B, Area 18-B, Area 23-B, Area 25-B, Area 27-B and Area 28-B, as shown on pages 1 through 3 of Exhibit 4.1 hereof.

(j) "Building No. 57 Area IC" shall mean the interior space (as described in Subdivision IV below) designated by the letter "C", and more specifically including Area 5-C, Area 6-C, Area 8-C, Area 10-C, Area 17-C, Area 19-C, Area 20-C, Area 22-C, Area 24-C, Area 30-C and Area 31-C, as shown on pages 1 through 3 of Exhibit 4.1 hereof.

(k) "Building Rentals" shall collectively mean the Area I Building Rental

and the Area II Building Rental.

(l) "Building Rental End Date" shall mean the first day of the month after which all of the Required Conditions shall have first occurred.

(m) "CPI" or "Consumer Price Index" shall mean the Consumer Price Index for all Urban Consumers, New York-Northern New Jersey, Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(n) "CPI Percentage Increase" shall mean the annual percentage increase, if any, in the CPI yielded by dividing the amount of the increase, if any, in the CPI for one Reference Month as compared to the CPI for the immediately preceding Reference Month, by the CPI for the earlier of the two Reference Months; as determined by the Port Authority.

(o) "Ground Rental" shall mean the rental payable by the Lessee to the Port Authority pursuant to and calculated in accordance with the terms of paragraph (a) of Subdivision II of this Section.

(p) "Reference Month" shall mean the month of December 1999 (the first Reference Month) and each succeeding month of December occurring during the remainder of the term of the letting under the Lease.

(q) "Rentals" shall collectively mean the Ground Rental, the Area IA and IB Building Rental, the Area I Building Rental and the Area II Building Rental.

(r) "Terminal Rental Adjustment Period" shall mean as the context requires the twelve-month period commencing on the first anniversary of the Terminal Rental Commencement Date and expiring on the day immediately preceding the second anniversary of the Terminal Rental Commencement Date, and each of the succeeding twelve-month periods thereafter occurring during the term of the letting under the Lease commencing on each anniversary of the Terminal Rental Commencement Date, provided, however, in the event the Terminal Rental Commencement Date is other than the first day of a calendar month, the "Terminal Rental Adjustment Period" shall mean as the context requires the twelve-month period commencing on the first day of the month in which the first anniversary of the Terminal Rental Commencement Date shall occur and expiring on the last of the month immediately preceding the month in which the second anniversary of the Terminal Rental Commencement Date shall occur, and each of the succeeding twelve-month periods thereafter occurring during the term of the letting under the Lease commencing on the first day of the month in which each succeeding anniversary date of the Terminal Rental Commencement Date shall occur, and provided, further, in the event the

Lease expires or is terminated on other than the last day of a Terminal Rental Adjustment Period then in such event "Terminal Rental Adjustment Period" shall mean the actual number of days during such Terminal Rental Adjustment Period that the Lease was in effect.

(s) "Terminal Rental" shall mean the rental payable by the Lessee to the Port Authority pursuant to and calculated in accordance with the terms of paragraph (e) of Subdivision II of this Section.

(t) "Terminal Rental Commencement Date" shall mean the earlier to occur of the 31st anniversary of the Effective Date or the 25th anniversary of the Redevelopment Work Completion Date.

(u) "Terminal Rental CPI Percentage Increase" shall mean the annual percentage increase, if any, in the CPI yielded by dividing the amount of the increase, if any, in the CPI for one Terminal Rental Reference Month as compared to the CPI for the immediately preceding Terminal Rental Reference Month, by the CPI for the earlier of the two Terminal Rental Reference Months; as determined by the Port Authority.

(v) "Terminal Rental Rate" shall mean the rental rate calculated by the Port Authority in accordance with the terms of paragraph (e) of Subdivision II of this Section.

(w) "Terminal Rental Reference Month" shall mean the month in which the Terminal Rental Commencement Date shall occur (the first Terminal Rental Reference Month) and each succeeding month in which an anniversary of the Terminal Rental Commencement Date shall occur during the remainder of the term of the letting under the Lease.

II. Rental:

(a) (1) Effective as of the Effective Date, the Lessee shall pay to the Port Authority a rental for the ground area shown in stipple and stipple diagonal hatching on Exhibit 1.1 (the "Ground Rental") at the rate of (Ex. 2.a.) per annum for the portion of the term of the letting from the Effective Date to December 31, 2000, both dates inclusive, which Ground Rental shall thereafter be adjusted on an annual basis as hereinafter set forth during the term of the letting under the Lease.

(2) The Port Authority shall ascertain the CPI for the first Reference Month and for each succeeding Reference Month after the same has been published, and the Port Authority shall also determine each CPI Percentage Increase.

(3) (i) Effective on January 1, 2001, the Ground Rental shall be increased as follows: the Ground Rental set forth in paragraph (a)(1) above, shall be multiplied (x) by a percentage composed of ½ of the CPI Percentage Increase as calculated using the two immediately preceding Reference Months (that is December 1999 and December 2000) plus 100% and (y) by 104%; and the greater of the amounts so obtained from the foregoing calculations set forth in clauses (x) and (y) shall be and become the Ground Rental in effect for the Adjustment Period commencing on January 1, 2001.

(ii) Effective on January 1, 2002 and on the first day of each Adjustment Period occurring during the remainder of the term of the letting under the Lease, the Ground Rental shall be further increased for each Adjustment Period as follows: the amount of the Ground Rental set forth in paragraph (a)(1) above as the same may have been last adjusted under this paragraph (a), shall be multiplied (x) by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100% and (y) by 104%; and the greater of the amounts so obtained from the foregoing calculations set forth in clauses (x) and (y) shall be and become the Ground Rental in effect for the Adjustment Period.

(b) For the portion of the term of the letting from the Effective Date to December 31, 2002, both dates inclusive, the Lessee shall pay to the Port Authority a rental for the Building No. 57 Area IA and the Building No. 57 Area IB (the "Area IA and IB Building Rental") at the rate of
per annum. (Ex. 2.a)

(c) (1) Effective on January 1, 2003, the Lessee shall pay to the Port Authority a rental for the Area I Building Area (the "Area I Building Rental") at a rate per annum equal to the product obtained by multiplying 367,025 square feet by the Base Terminal Rental Rate in effect for the Adjustment Period commencing on January 1, 2003, which Area I Building Rental shall thereafter be adjusted on an annual basis as hereinafter set forth during portion of the term of the letting under the Lease ending on the day immediately preceding the Building Rental End Date. From and after the Building Rental End Date, if any, there shall be no Area I Building Rental payable under the Lease.

(2) The Port Authority shall ascertain the CPI for the first Reference Month and for each succeeding Reference Month after the same has been published, and the Port Authority shall also determine each CPI Percentage Increase.

(3) (i) Effective on January 1, 2004, the Area I Building Rental shall be increased as follows: the Area I Building Rental set forth in paragraph (c)(1) above, shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase as

calculated using the two immediately preceding Reference Months (that is December 2002 and December 2003) plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Area I Building Rental in effect for the Adjustment Period commencing on January 1, 2004.

(ii) Effective on January 1, 2005, and on the first day of each Adjustment Period occurring during the remainder of the portion of the term of the letting under the Lease ending on the day immediately preceding Building Rental End Date, the Area I Building Rental shall be further increased for each Adjustment Period as follows: the amount of the Area I Building Rental set forth in paragraph (c)(1) above as the same may have been last adjusted under this paragraph (c), shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Area I Building Rental in effect for the Adjustment Period.

(d) (1) Effective as of the Effective Date, the Lessee shall pay to the Port Authority a rental for the Area II Building Area (the "Area II Building Rental") at the rate of (Ex. 2.a.)
per annum for the portion of the term of the letting from the Effective Date to December 31, 2000, both dates inclusive, which Area II Building Rental shall thereafter be adjusted on an annual basis as hereinafter set forth during the portion of the term of the letting under the Lease ending on the day immediately preceding the Building Rental End Date. From and after the Building Rental End Date, if any, there shall be no Area I Building Rental payable under the Lease.

(2) The Port Authority shall ascertain the CPI for the first Reference Month and for each succeeding Reference Month after the same has been published, and the Port Authority shall also determine each CPI Percentage Increase.

(3) (i) Effective on January 1, 2001, the Area II Building Rental shall be increased as follows: the Area II Building Rental set forth in paragraph (d)(1) above, shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase as calculated using the two immediately preceding Reference Months (that is December 1999 and December 2000) plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Area II Building Rental in effect for the Adjustment Period commencing on January 1, 2001.

(ii) Effective on January 1, 2002, and on the first day of each Adjustment Period occurring during the remainder of the portion of the term of the letting under the Lease ending on the day immediately preceding the Building Rental End

Date, the Area II Building Rental shall be further increased for each Adjustment Period as follows: the amount of the Area II Building Rental set forth in paragraph (d)(1) above as the same may have been last adjusted under this paragraph (d), shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Area II Building Rental in effect for the Adjustment Period.

(e) From and after the Terminal Rental Commencement Date, the Lessee shall pay to the Port Authority a rental for all the interior portions of the Premises (the "Terminal Rental") as follows:

(1) (i) Effective on January 1, 2001, the amount of (Ex.2.a.) (which amount it is hereby agreed is the annual per square foot rental for the Area II Building Area on the Effective Date and is hereinafter called the "Base Terminal Rental Rate") shall be increased as follows: the Base Terminal Rental Rate of 2.a. shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase as calculated using the two immediately preceding Reference Months (that is December 1999 and December 2000) plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Base Terminal Rental Rate for the Adjustment Period commencing on January 1, 2001.

(ii) Effective on January 1, 2002, and on the first day of each Adjustment Period occurring during the remainder of the term of the letting under the Lease up to and including the Terminal Rental Commencement Date, the Base Terminal Rental Rate shall be further increased for each Adjustment Period as follows: the amount of the Base Terminal Rental Rate set forth in paragraph (e)(1)(i) above as the same may have been last adjusted under this paragraph (e)(1), shall be multiplied by a percentage composed of ½ of the CPI Percentage Increase calculated using the two Reference Months immediately preceding the first day of the subject Adjustment Period plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Base Terminal Rental Rate for the Adjustment Period.

(2) The Port Authority shall determine the Terminal Rental Rate in effect on the Terminal Rental Commencement Date, which Terminal Rental Rate shall be equal to the product obtained by multiplying the number of square feet of interior space in the Premises on the Terminal Rental Commencement Date calculated on the basis set forth in Subdivision VI below, by the Base Terminal Rental Rate in effect during the Adjustment Period during which the Terminal Rental Commencement Date shall occur.

(3) (i) Effective on the Terminal Rental Commencement

Date, the Lessee shall pay to the Port Authority a Terminal Rental for the portion of the term of the letting under the Lease from the Terminal Rental Commencement Date to the last day of the month immediately preceding the month in which the first anniversary of the Terminal Rental Commencement Date occurs, both dates inclusive, at an annual rate equal to the product obtained by multiplying the Terminal Rental Rate in effect on the Terminal Rental Commencement Date by 33.33%, which Terminal Rental shall thereafter be adjusted on an annual basis as hereinafter set forth during the remainder of the term of the letting under the Lease.

(ii) The Port Authority shall ascertain the CPI for the first Terminal Rental Reference Month and for each succeeding Terminal Rental Reference Month after the same has been published, and the Port Authority shall also determine each Terminal Rental CPI Percentage Increase.

(iii) Effective on first day of the Terminal Rental Adjustment Period in which the first anniversary of the Terminal Rental Commencement Date occurs, the Terminal Rental set forth in paragraph (e)(3)(i) above shall be increased as follows: (i) the Terminal Rental Rate determined in accordance with paragraph (e)(3)(i) above, shall be multiplied by a percentage composed of ½ of the Terminal Rental CPI Percentage Increase as calculated using the two immediately preceding Terminal Rental Reference Months plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Terminal Rental Rate in effect for the Terminal Rental Adjustment Period commencing on the first day of the month in which the first anniversary of the Terminal Rental Commencement Date occurs; and (ii) for such Terminal Rental Adjustment Period the Lessee shall pay to the Port Authority an annual Terminal Rental equal to the product obtained by multiplying the Terminal Rental Rate for such Terminal Rental Adjustment Period by 33.33%.

(iv) Effective on the first day of the Terminal Rental Adjustment Period in which the second anniversary of the Terminal Rental Commencement Date occurs, the Terminal Rental set forth in paragraph (e)(3)(iii) above shall be increased as follows: (i) the Terminal Rental Rate determined in accordance with paragraph (e)(3)(iii) above shall be multiplied by a percentage composed of ½ of the Terminal Rental CPI Percentage Increase as calculated using the two immediately preceding Terminal Rental Reference Months plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Terminal Rental Rate in effect for the Terminal Rental Adjustment Period commencing on the first day of the month in which the second anniversary of the Terminal Rental Commencement Date occurs; and (ii) for such Terminal Rental Adjustment Period the Lessee shall pay to the Port Authority an annual Terminal Rental equal to the product obtained by multiplying the Terminal Rental Rate for such Terminal Rental Adjustment Period by 66.67%.

(v) Effective on the first day of the Terminal Rental Adjustment Period in which the third anniversary of the Terminal Rental Commencement Date occurs, the Terminal Rental set forth in paragraph (e)(3)(iv) above shall be increased as follows: (i) the Terminal Rental Rate determined in accordance with paragraph (e)(3)(iv) above shall be multiplied by a percentage composed of ½ of the Terminal Rental CPI Percentage Increase as calculated using the two immediately preceding Terminal Rental Reference Months plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Terminal Rental Rate in effect for the Terminal Rental Adjustment Period commencing on the first day of the month in which the third anniversary of the Terminal Rental Commencement Date occurs; and (ii) for such Terminal Rental Adjustment Period the Lessee shall pay to the Port Authority an annual Terminal Rental equal to the product obtained by multiplying the Terminal Rental Rate for such Terminal Rental Adjustment Period by 66.67%.

(vi) Effective on first day of the Terminal Rental Adjustment Period in which the fourth anniversary of the Terminal Rental Commencement Date occurs, the Terminal Rental set forth in paragraph (e)(3)(v) above shall be increased as follows: (i) the Terminal Rental Rate determined in accordance with paragraph (e)(3)(v) above shall be multiplied by a percentage composed of ½ of the Terminal Rental CPI Percentage Increase as calculated using the two immediately preceding Terminal Rental Reference Months plus 100%; and the amount so obtained from the foregoing calculation shall be and become the Terminal Rental Rate in effect for the Terminal Rental Adjustment Period commencing on the first day of the month in which the fourth anniversary of the Terminal Rental Commencement Date occurs; and (ii) for such Terminal Rental Adjustment Period the Lessee shall pay to the Port Authority an annual Terminal Rental equal to the Terminal Rental Rate for such Terminal Rental Adjustment Period.

(f) (i) In the event the CPI is not available for any Reference Month, the Lessee shall continue to pay the Rentals at the annual rate then in effect subject to retroactive adjustment based upon the adjustment to the Rentals for such Adjustment Period when the CPI for such Reference Month becomes available. The Lessee hereby agrees to pay to the Port Authority all Rentals due and owing to the Port Authority on the basis of such retroactive adjustments on demand.

(ii) In the event the CPI is not available for any Terminal Rental Reference Month, the Lessee shall continue to pay the Terminal Rental at the annual rate then in effect subject to retroactive adjustment based upon the adjustment to the Terminal Rental for such Terminal Rental Adjustment Period when the CPI for such Terminal Rental Reference Month becomes available. The Lessee hereby agrees to pay to the Port Authority all Terminal Rental due and owing to the Port Authority on the basis of such retroactive adjustments on demand.

(g) In the event of the change of basis or the discontinuance of the publication by the United States Department of Labor of the CPI, such other appropriate index or indexes shall be substituted as may be agreed by the parties hereto as properly reflecting changes in the value of the current United States money in a manner similar to that established in the said indexes used in the latest adjustment. In the event of the failure of the parties to so agree, the Port Authority may select and use such index or indexes as it deems appropriate, provided, however, that the foregoing shall not preclude the Lessee from contesting the Port Authority's selection.

(h) In no event shall any adjustment in the Rentals for any change in the CPI result in a decrease in the Rentals, and in no event shall any adjustment in the Terminal Rental for any change in the CPI result in a decrease in the Terminal Rental, and in no event shall any adjustment in the Base Terminal Rental Rate for any change in the CPI result in a decrease in the Base Terminal Rental Rate.

III. Time of Payment of Rental

The Rentals hereunder shall be payable by the Lessee in advance in equal monthly installments on the Effective Date and on the first day of each and every calendar month thereafter occurring during the balance of the term of the letting under the Lease and the Terminal Rental hereunder shall be payable by the Lessee in advance in equal monthly installments on the Terminal Rental Commencement Date and on the first day of each and every calendar month thereafter occurring during the balance of the term of the letting. If any annual rental established hereunder shall be for less than a whole calendar year each monthly installment payable during such year shall be equal to one-twelfth (1/12th) of said annual rental. If any installment of rental payable hereunder shall be for less than a full calendar month then the rental payment for the portion of the month for which such payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

IV. Abatement

Except as set forth in Subdivision V below, in the event that the Lessee shall at any time by the provisions of this Agreement expressly be entitled to abatement of the rentals for the Premises, said abatement shall be computed as follows (it being understood that there shall be no abatement of such rentals under the Lease for any portion of the Premises or any portion of the term except as specifically provided in this Subdivision IV and in Subdivision V and, without limiting the generality of the foregoing, it is hereby understood that there shall be no abatement of any rentals for any portion of the Premises due to demolition of all or any portion of the Area I Building Area or the Area II Building Area performed as part of the Redevelopment Work):

(a) Ground Rental Abatement

For each acre of land in the Premises the use of which is denied to the Lessee:

(1) For the portion of the term of the letting from the Effective Date through December 31, 2000, both dates inclusive, at the daily rate of $191.78; and

(2) For the portion of the term of the letting from January 1, 2001 through the remainder of the term of the letting at the daily rate of $191.78 as appropriately adjusted to reflect any and all adjustments in the Ground Rental pursuant to paragraph (a) of Subdivision II of this Section.

(b) Area IA and IB Building Rental Abatement

For each square foot of the 250,000 square feet of interior space in Building No. 57 Area IA and in Building No. 57 Area IB, the use of which is denied to the Lessee, for the portion of the term of the letting from the Effective Date through December 31, 2002, at the daily rate of $.038356, it being understood and agreed there shall be no abatement for any space in the Building No. 57 Area IC during such period.

(c) Area I Building Rental Abatement

For each square foot of the 367,025 square feet of interior space in the Area I Building Area, the use of which is denied to the Lessee:

(1) For the portion of the term of the letting under the Lease from January 1, 2003 to December 31, 2003, both dates inclusive, at a daily rate equal to the Base Terminal Rental Rate in effect for the Adjustment Period commencing on January 1, 2003, as the same may be reduced by the provisions of paragraph (c)(3) below; and

(2) For the portion of the term of the letting from January 1, 2004 and ending on the day immediately preceding the Building Rental End Date, at the daily rate set forth in paragraph (c)(1) above as appropriately adjusted to reflect any and all adjustments in the Area I Building Rental pursuant to paragraph (c) of Subdivision II of this Section, as the same may be reduced by the provisions of paragraph (c)(3) below.

(3) At any time that the Lessee shall be entitled to an abatement of Building Rentals pursuant to paragraph (a)(1) of Subdivision V below, the abatement rates set forth in paragraphs (c)(1) and (c)(2) of this Subdivision IV shall be reduced by multiplying such rates by 66.67%; and at any time that the Lessee shall be entitled to an abatement of Building Rentals pursuant to paragraph (a)(2) of Subdivision V below, the abatement rates set forth in paragraphs (c)(1) and (c)(2) of this Subdivision IV shall be

reduced by multiplying such rates by 33.33%.

(4) From and after the Building Rental End Date there shall be no abatement of the Area I Building Rental.

(d) Area II Building Rental Abatement

For each square foot of the 306,467 square feet of interior space in the Area II Building Area, the use of which is denied to the Lessee:

(1) For the portion of the term of the letting from the Effective Date through December 31, 2000, both dates inclusive, at the daily rate of $.076712, as the same may be reduced by the provisions of paragraph (d)(3) below; and

(2) For the portion of the term of the letting from January 1, 2001 and ending on the day immediately preceding the Building Rental End Date, at the daily rate of $.076712 as appropriately adjusted to reflect any and all CPI adjustments pursuant to paragraph (d) of Subdivision II above, as the same may be reduced by the provisions of paragraph (d)(3) below.

(3) At any time that the Lessee shall be entitled to an abatement of Building Rentals pursuant to paragraph (a)(1) of Subdivision V below, the abatement rates set forth in paragraphs (d)(1) and (d)(2) of this Subdivision IV shall be reduced by multiplying such rates by 66.67%; and at any time that the Lessee shall be entitled to an abatement of Building Rentals pursuant to paragraph (a)(2) of Subdivision V below, the abatement rates set forth in paragraphs (d)(1) and (d)(2) of this Subdivision IV shall be reduced by multiplying such rates by 33.33%.

(4) From and after the Building Rental End Date there shall be no abatement of the Area II Building Rental.

(e) Terminal Rental Abatement

For each square foot of interior space in the Premises, the use of which is denied to the Lessee:

(i) For the portion of the term of the letting from the Terminal Rental Commencement Date and ending on the day immediately preceding the first Terminal Rental Adjustment Period, at a daily rate equal to the quotient obtained by dividing the Terminal Rental in effect for such portion of the term of the letting by the number of square feet in the interior portion of the Premises on the Terminal Rental

Commencement Date.

(ii) For each Terminal Rental Adjustment Period, at a daily rate equal to the quotient obtained by dividing the Terminal Rental in effect for such Terminal Rental Adjustment Period by the number of square feet in the interior portion of the Premises on the Terminal Rental Commencement Date.

V. Additional Building Rental Abatement:

(a) In addition to the abatement of rentals set forth in Subdivision IV above, the Building Rentals shall be partially abated up to and including the earlier to occur of the day immediately preceding Building Rental End Date or the day immediately preceding the tenth (10th) anniversary of the Effective Date, as follows:

(1) For the period commencing on the later to occur of (i) the second (2nd) anniversary of the Effective Date or (ii) the first day of the month after the month in which the Lessee shall have made a Redevelopment Work Investment totaling (Ex. 2.a.) to and including the later to occur of (i) the day immediately preceding the fourth (4th) anniversary of the Effective Date or (ii) the last day of the month during which the Lessee shall have made a Redevelopment Work Investment totaling (Ex.2.a.) the Building Rentals set forth in paragraphs (c) and (d) of Subdivision II of this Section shall be partially abated by an amount equal to the product obtained by multiplying the same by 33.33%, and for such period the Building Rentals shall be abated by the amount of such product, provided, however, in no event shall the Lessee be entitled to an abatement of Building Rentals pursuant to this subparagraph (1) from and after the tenth (10th) anniversary of the Effective Date: and

(2) For the period commencing on the later to occur of (i) the fourth (4th) anniversary of the Effective Date or (ii) the first day of the month after the month in which the Lessee shall have made a Redevelopment Work Investment totaling (Ex. 2.a.) to and including the earlier to occur of the day immediately preceding the Building Rental End Date, if any, or the day immediately preceding the tenth (10th) anniversary of the Effective Date, the Building Rentals set forth in paragraphs (c) and (d) of Subdivision II of this Section (and not as abated pursuant to subparagraph (1) of this Subdivision V) shall be partially abated by an amount equal to the product obtained by multiplying the same by 66.66%, and for such period the Building Rentals shall be abated by the amount of such product, provided, however, in no event shall the Lessee be entitled to an abatement of Building Rentals pursuant to this subparagraph (2) from and after the tenth (10th) anniversary of the Effective Date.

VI. For the purposes of this Section, all of the interior space shall be measured and the same shall be ascertained by measuring between the interior plaster surfaces of the exterior building walls, and no deductions will be made therefrom for columns, pilasters, projections, partitions, toilets, vertical shafts, elevator shafts, stairs, fire towers, vents, pipe shafts, meter closets, flues, stacks, structures or facilities of any kind or anything else located therein.

Section 5. Use of Premises

(a) The Lessee, in connection with its business of transportation by aircraft, may use the Premises for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

(1) For the reservation of space and the sale of tickets for transportation on aircraft operated by the Lessee.

(2) For the reservation of space and the sale of tickets for transportation by other carriers but only as an incident to or in connection with transportation performed or to be performed by the Lessee or as an incident to or in connection with the cancellation of such transportation, or for the accommodation or convenience of the incoming or outbound passengers of the Lessee at the Airport. The occasional reservation of space and the sale of tickets for transportation by other carriers shall not be deemed to be prohibited by this provision.

(3) For the clearance, checking and rendering of service to passengers of the Lessee and for the furnishing of information service to such passengers and the general public.

(4) For providing rooms or space for the special handling of or the furnishing of special services to any of its passengers, guests, or invitees, subject to the provisions of Section 63 hereof entitled "Club Rooms".

(5) For the handling of baggage of passengers of the Lessee including baggage and parcels such passengers decide to send as air cargo.

(6) For the handling of unclaimed baggage and lost and found articles.

(7) For the conduct of operations, traffic, communications, reservations and administrative office functions and activities in connection with air transportation performed by the Lessee.

(8) For the preparation, packaging and storage of food, beverages and commissary supplies to be consumed on aircraft operated by the Lessee.

(9) For the storage of repair parts, supplies and other personal property owned or leased by the Lessee and for the performance of minor repairs to personal property of the Lessee.

(10) For the storage of such automotive fuel and lubricants as may be approved by the Port Authority.

(11) For the operation of a cafeteria for over-the-counter sales to officers and employees of the Lessee or of any Subsidiary of the Lessee and their families and to occasional business guests of such officers and employees (other than passengers of the Lessee), of food, beverages and other merchandise normally sold in such an establishment at no profit to the Lessee and either directly by the Lessee or through a Subsidiary thereof or by an independent contractor who has received a permit from the Port Authority so to do.

(12) For use as crew quarters to be used by personnel of the Lessee during layovers between flights and for the establishment of lounges for employees of the Lessee.

(13) For the loading and unloading of passengers, baggage, mail, air cargo and commissary supplies, provided that the use of the Premises for the unloading and loading of passengers and their baggage from ground transportation vehicles shall be subject to limitation and restriction, from time to time, as set forth in Section 62 hereof entitled "Future Airport Transportation Facilities and Operations Use of Portions of the Premises" and Section 49 hereof entitled "Restrictions on Use of Passenger Terminal Frontage Roadways-Use of Airport Taxi Dispatchers and Roadway Frontage Management".

(14) For the parking and storage of aircraft and ramp equipment operated by the Lessee.

(15) For the fueling and servicing of aircraft and ramp equipment operated by the Lessee and for the maintenance of ramp equipment operated by the Lessee.

(16) For the performance of aircraft maintenance, subject to the limitations imposed by paragraph (j) of Section 9 hereof entitled "Prohibited Acts".

(17) For the training of personnel employed or to be employed by the Lessee or other Persons engaged in commercial transportation by aircraft, provided, that unless consented to by the Port Authority, the Lessee shall not engage in the training of persons employed by others or to be employed by others if the training of such persons is in competition with any concessionaire, permittee or licensee of the Port Authority at the Airport (other than another Person engaged in the business of transportation by aircraft).

(18) For the temporary storage of baggage, mail and air cargo.

(19) For Federal Inspection Service(s) by federal agencies (if the United States Government makes the same available to the Lessee).

(20) For any other purpose or activity, in addition to those specified in this Section, for which the Premises are expressly authorized to be used by any other provision of this Agreement.

(b) The loading or unloading on the Premises of all aircraft used principally for cargo is expressly prohibited. Further, notwithstanding any other term or provision of this Lease, including without limitation, any reference to Handled Airlines, Requesting Airline, Accommodated Handled Airline, Accommodated Sublessee Airline or Associated or Affiliated Companies, it is understood and agreed that the Lessee is prohibited hereunder from performing any services for any other Aircraft Operator without the prior written consent of the Port Authority, which consent the Port Authority shall have no obligation whatsoever to give.

Section 6. Compliance with Governmental Requirements

(a) The Lessee shall promptly comply with, observe and execute all laws and ordinances and governmental rules, regulations, orders, requirements and similar items, including without limitation, all Environmental Requirements, now or at any time during the term of this Agreement which as a matter of law are applicable to or which affect (i) the Premises or the groundwater thereunder, (ii) the operations of the Lessee at the Premises or the Airport, (iii) the occupancy and use of the Premises and/or (iv) any Hazardous Substance which has migrated from or from under the Premises; it being expressly agreed and understood the foregoing obligations of the Lessee shall include without limitation the ACO and all the work required to be performed thereunder. The Lessee shall, in accordance with and subject to the provisions of Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" or Section 33 hereof entitled "Other Construction of the Lessee", as the case shall be, make any and all structural and non-structural improvements, alterations or repairs of the Premises and perform all remediation, containment and clean-up of Hazardous Substances required in order to fully satisfy the compliance obligations set forth herein.

(b) The Lessee shall procure from all Governmental Authorities having jurisdiction over the operations of the Lessee hereunder all licenses, certificates, permits or other authorization which may be necessary for the conduct of such operations. "Governmental Authority" shall not be construed as intending to include The Port Authority of New York and New Jersey, the lessor under this Agreement.

(c) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the Premises. Such provision is not to be construed as a submission by the Port

Authority to the application to itself of such requirements or any of them.

(d) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation to the extent that the Port Authority finds it practicable so to do, the Lessee shall comply with all such enactments, ordinances, resolutions and regulations which would be applicable to its operations hereunder if the Port Authority were a private corporation, except in cases where the Port Authority either notifies the Lessee that it need not comply with or directs it not to comply with any such enactments, ordinances, resolutions or regulations which are applicable only because of the Port Authority's agreement in the Basic Lease. The Lessee shall, for the Port Authority's information, deliver to the Port Authority promptly after receipt of any notice, warning, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation a true copy of the same. Any direction by the Port Authority to the Lessee not to comply with any such enactment, ordinance, resolution or regulation shall be given only pursuant to a resolution duly adopted by the Board of Commissioners of the Port Authority or by an authorized committee of its Board and if any such direction is given by the Port Authority to the Lessee, the Port Authority, to the extent that it may lawfully do so, shall indemnify and hold the Lessee harmless from and against all claims, actions, damages, liabilities, fines, penalties, costs and expenses suffered or incurred by the Lessee as a result of non-compliance with such enactment, ordinance, resolution or regulation.

(e) The Lessee shall have such time within which to comply with the aforesaid laws, ordinances, rules and regulations as the authorities enforcing the same shall allow.

Section 7. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees and those doing business with it to observe and obey) the existing Rules and Regulations of the Port Authority, and such reasonable future Rules and Regulations of the Port Authority (including amendments and supplements thereto) for the government of the conduct and operations of the Lessee and others on the Premises as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, noise, sanitation or good order. The obligation of the Lessee to require such observance and obedience on the part of its guests, invitees and business visitors shall obtain only while such Persons are on the Premises. The Port Authority agrees that except in cases of emergency, it will give notice to the Lessee of every such future rule or regulation adopted by it at least ten (10) days before the Lessee shall be required to comply therewith.

(b) The use by the Lessee and its officers, employees, guests, invitees,

sublessees, and those doing business with it, of the Public Aircraft Facilities and any and all other portions of the Airport which it may be entitled to use under this Lease (other than space leased to the Lessee for its exclusive use) shall be subject to the Rules and Regulations of the Port Authority in effect as of the Effective Date, and such reasonable future rules and regulations (including amendments and supplements to existing Rules and Regulations) as the Port Authority may from time to time promulgate in the public interest and in the interest of health, safety, noise, sanitation, good order and the economic and efficient operation of the Airport, including but not limited to, the number and type of aircraft which at any particular time may use the Public Aircraft Facilities and the time or times when such aircraft may use the Public Aircraft Facilities. Without limiting the foregoing, the Port Authority may take into account in adopting such Rules and Regulations the adequacy, capacity and suitability of (i) aircraft using the Airport, (ii) passenger handling facilities at the Airport including but not limited to the AirTrain, (iii) the Public Aircraft Facilities at the Airport, (iv) the roadways and (v) the parking facilities. In the event the Port Authority promulgates rules and regulations pursuant to this paragraph (b), the Port Authority may devise and implement reasonable procedures including but not limited to, allocations among Aircraft Operators at the Airport.

(c) Nothing contained in this Section shall authorize the Port Authority to promulgate rules or regulations or impose any conditions upon the Lessee which conflict with the safeguards granted to the Lessee pursuant to the provisions of Section 12.04 of the General Airport Agreement. The provisions of the preceding sentence shall apply and pertain only up to the expiration or earlier termination of the General Airport Agreement and thereafter shall be void and of no further force or effect.

(d) If a copy of the Rules and Regulations is not attached, then the Port Authority will notify the Lessee thereof either by delivery of a copy, or by making a copy available at the office of the Secretary of the Port Authority.

Section 8. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations hereunder in an orderly and proper manner, so as not to unreasonably annoy, disturb or be offensive to others at or off the Airport. The Lessee shall take all reasonable measures to eliminate vibrations originating on the Premises tending to damage any equipment, structure, building or portion of a building which is on the Premises, or is a part thereof, or is located elsewhere on or off the Airport.

(b) The Lessee shall use its best efforts to conduct all its operations at the Premises in a safe and careful manner, following in all respects the best practices of the air transportation industry in the United States.

(c) The Port Authority shall have the right to object to the Lessee regarding the

conduct and demeanor of the employees of the Lessee whereupon the Lessee will take all steps reasonably necessary to remove the cause of the objection. If requested by the Port Authority the Lessee shall supply and shall require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the General Manager of the Airport.

(d) The Lessee shall control all vehicular traffic on the roadways or other areas within the Premises and shall take all precautions reasonably necessary to promote the safety of its passengers and all other persons on the Premises. The Lessee shall employ such means as may be necessary to direct the movement of vehicular traffic within the Premises to prevent traffic congestion on the public roadways leading to the Premises.

(e) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the General Manager of the Airport all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy of the Premises or out of its operations. Any such which may be temporarily stored in the open, shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material, and equipped with tightfitting covers, and to be of a design safely and properly to contain whatever material may be placed therein. The Lessee shall use extreme care when effecting removal of all such waste materials, and shall effect such removal at such times and by such means as first approved by the Port Authority. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or deposited into or upon the waters at or bounding the Airport.

(f) From time to time and as often as reasonably required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the fire extinguishing system and apparatus, fire-alarm and smoke detection systems and any other fire protection systems which constitute a part of the Premises. The Lessee shall keep in proper functioning order all fire-fighting equipment, fire-alarm and smoke detection equipment on the Premises and the Lessee shall at all times maintain on the Premises adequate stocks of fresh, usable chemicals for use in such systems, equipment and apparatus. The Lessee shall notify the Port Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

(g) It is the intention of the parties hereto that noise caused by aircraft engine operations shall be held to a minimum considering the nature of the Lessee's operations. To this end the Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines to a minimum and where appropriate shall employ noise arresting and noise reducing devices that are suitable. Aircraft testing and aircraft run-ups will be conducted only in such areas as shall meet with the prior and continuing approval of the Port Authority. The obligations assumed by the Lessee under this paragraph (g) shall not diminish, limit, modify or affect all other obligations of the Lessee with respect to noise under this Agreement.

(h) In its use of the Premises, the Lessee shall use its best efforts to minimize jet or prop blast interference to aircraft operating on or to buildings and structures now located on or which in the future may be located on areas adjacent to the Premises. In the event the Port Authority determines at any time and from time to time that the Lessee has not so minimized the jet or prop blast interference, it may serve a notice on the Lessee to such effect and if the condition is not corrected to the satisfaction of the Port Authority within thirty (30) days after the service of said notice, the Lessee hereby covenants and agrees to erect and maintain at its own expense such structure or structures as may be necessary to minimize the said jet or prop blast interference, subject, however, to the prior written approval of the Port Authority as to the type, manner and method of construction. The obligations assumed by the Lessee under this paragraph shall not diminish, limit, modify or affect all other obligations of the Lessee with respect to interference under this Agreement.

(i) In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the Premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Lease and shall operate, use and maintain the Premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of this Lease to require the Lessee, and the Lessee agrees to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. The obligations assumed by the Lessee under this paragraph shall continue throughout the term of this Lease and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term of the Lease consented to or approved any particular procedure or method of operation which the Lessee may have proposed or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the Lessee to assume the obligations under this paragraph is a special inducement and consideration to the Port Authority in entering into this Lease with the Lessee.

(j) The Lessee shall periodically inspect, clean out and maintain the oil separators serving the Premises which are located on the Premises and the oil separators located outside the Premises if they exclusively serve the Premises.

Section 9. Prohibited Acts

(a) The Lessee shall commit no unlawful nuisance, waste or injury on the Premises or at the Airport, and shall not do or permit to be done anything which may result in the creation or commission or maintenance of such nuisance, waste or injury on the Premises or at the Airport.

(b) The Lessee shall not create nor permit to be caused or created upon the Premises any obnoxious odors or smokes, or noxious gases or vapors. The creation of exhaust fumes by the operation of the Lessee's internal-combustion engines or aircraft engines of other types, so long as such engines are maintained and are being operated in a proper manner, shall not be a violation of this paragraph.

(c) The Lessee shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewerage system, water system, communications system, underground fuel system, electrical fire-protection system, sprinkler system, alarm system, fire hydrants and hoses and other systems, if any, installed or located on, under, or in the Premises.

(d) The Lessee shall not do or permit to be done any act or thing upon the Premises (1) which will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the Premises or any part thereof, or the Airport, or any part thereof, or (2) which, in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by Section 5 hereof entitled "Use of Premises". The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New York, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the Premises, and the Lessee shall, subject to and in accordance with the provisions of Section 33 hereof entitled "Other Construction by the Lessee", make any and all structural and non-structural improvements, alterations or repairs of the Premises that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this paragraph any fire insurance rate, extended coverage or rental insurance rate on the Premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would be if the Premises were properly used for the purposes permitted by Section 5 hereof entitled "Use of Premises", then the Lessee shall pay to the

Port Authority, as an item of additional rental, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee.

(e) The Lessee shall not dispose of nor permit any one to dispose of any waste material taken from its aircraft (whether liquid or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the Premises except after treatment in installations or equipment included in plans and specifications submitted to and approved by the Port Authority.

(f) The Lessee shall not keep or store during any 24-hour period flammable liquids within any enclosed portion of the Premises (other than in rooms or areas expressly constructed for the storage of such liquids) in excess of the Lessee's working requirements during the said 24-hour period. Any such liquids having a flash point of less than 110° F. shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories or the Factory Mutual Insurance Association.

(g) (1) The Lessee shall prevent access by persons or vehicles (unless duly authorized by the Port Authority) to the Public Landing Area from the Premises except for aircraft, which aircraft shall be equipped with radio receivers tuned to control tower frequencies and adequately manned in accordance with applicable Port Authority Rules and Regulations. Such aircraft may be towed by a motor vehicle equipped with a radio receiver tuned to the appropriate control tower frequency and adequately manned or such other means as may be approved by the Port Authority. The Lessee shall control access by its passengers and patrons from and to aircraft ramp, apron and parking areas on the Premises and shall maintain control of its passengers and patrons while they are upon said areas by proper measures to insure that the highest standards of safety are maintained.

(2) The Lessee shall furnish adequate security and guard service or such comparable means as approved by the Port Authority from time to time, on a 24 hour, seven day-a-week basis for the prevention of access to and control of persons on the aeronautical operations areas of the Premises and the prevention of access to the Public Landing Area.

(h) The Lessee shall not operate any engine or any item of automotive equipment in any enclosed space on the Premises unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device which has been approved by the Port Authority.

(i) The Lessee shall not operate or cause to be operated aircraft engines in any portions of the Premises other than for the purpose of taxiing aircraft to and from the Premises or in connection with authorized aircraft maintenance on the Premises.

(j) The Lessee shall not perform any aircraft maintenance on the Premises except that

emergency aircraft maintenance and transit or turn around aircraft maintenance shall not be deemed to be prohibited by this provision.

(k) The Lessee shall not keep or store aviation fuel on the Premises except that fueling equipment may be operated on the Premises in accordance with the provisions of the General Airport Agreement covering the underground fuel system and with the Port Authority Rules and Regulations pertaining thereto.

(l) The Lessee shall not overload any floor and shall repair any floor, including supporting members, and any paved area damaged by overloading. Nothing in this paragraph or elsewhere in this Agreement shall be or be construed to be a representation by the Port Authority of the weight any floor or paved area will bear.

(m) The Lessee shall not use or permit the use of any structural supporting member of the buildings or roofs or any part thereof for the storage of any material or equipment, or hoist, lift, move or support any material or equipment or other weight or load, by means of said trusses or structural supporting members, without prior approval of the Port Authority.

(n) The Lessee shall not use any cleaning materials having a harmful corrosive effect, on any part of the Premises.

(o) The Lessee shall not fuel or defuel any equipment in the enclosed portions of the Premises without prior approval of the General Manager of the Airport.

(p) The Lessee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Premises or at the Airport.

(q) The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Premises or in any streets, ways and walks adjacent or near the Premises.

(r) The Lessee agrees that it will not erect, construct or maintain or otherwise create or continue any obstacle or so park or store any aircraft or other object on the Premises so as to create any obstacle that will hamper or interfere with the free, orderly, unobstructed and uninterrupted passage of vehicles, aircraft or of the wings or other integral part of aircraft of any type, nature or description, while such vehicle is operating or aircraft is taxiing or being transported or towed along the Runways, taxiways and roads outside of and adjacent to the Premises.

Section 10. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) The Lessee shall repair, replace, rebuild and paint all or any part of the Premises

which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its officers or employees or of other persons on or at the Premises with the Lessee's consent and shall pay to the Port Authority the costs and expenses of the Port Authority to repair, replace, rebuild and paint all or any part of the Airport which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its officers or employees or of other persons on or at the Premises with the Lessee's consent.

(b) The Lessee shall, throughout the term of this Lease, assume the entire responsibility and shall relieve the Port Authority from all responsibility for all repair, rebuilding and maintenance whatsoever in the Premises (and off the Premises as provided below), whether such repair, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise, and without limiting the generality of the foregoing, the Lessee shall:

(1) Keep at all times in a clean and orderly condition and appearance, the Premises and all the Lessee's fixtures, equipment and personal property which are located in any part of the Premises which is open to or visible by the general public;

(2) Remove all snow and ice and perform all other activities and functions necessary or proper to make the Premises available for use by the Lessee;

(3) Take good care of the Premises and maintain the same at all times in good condition; perform all necessary preventive maintenance, including but not limited to painting (the exterior of the Premises and areas visible to the general public to be painted only in colors which have been approved by the Port Authority); and make all repairs and replacements, and do all rebuilding, inside and outside, ordinary and extraordinary, partial and entire, foreseen and unforeseen, structural or otherwise, which repairs, rebuilding and replacements by the Lessee shall be in quality and class not inferior to the original in materials and workmanship.

(4) Provide and maintain all obstruction lights and similar devices on the Premises, and provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, ordinance, resolution or regulation of the type and nature described in Section 6 hereof entitled "Compliance with Governmental Requirements" and Section 7 hereof entitled "Rules and Regulations". The Lessee shall enter into and keep in effect throughout the term of the Lease a contract or contracts with a central station alarm company acceptable to the Port Authority to provide continuous and automatic surveillance of the fire protection system on the Premises. The Lessee shall insure that all fire alarm signals with respect to the Premises shall also be transmitted to the Airport's police emergency alarm board or to such other location on the Airport as the General Manager of the Airport may direct. The Lessee's obligations hereunder shall in no way create any obligation whatsoever on the part of the Port Authority;

(5) Take such anti-erosion measures and maintain the landscaping at all times in good condition, including but not limited to periodic replanting, as the Port Authority may require, and perform and maintain such other landscaping with respect to all portions of the Premises not paved or built upon as the Port Authority may require;

(6) Be responsible for the maintenance and repair of all utility service lines, including but not limited to, service lines for the supply of water, electric power and telephone conduits and lines, sanitary sewers and storm sewers, located upon the Premises or located adjacent to the Premises and used by the Lessee exclusively;

(7) Be responsible for the maintenance and repair of any damage to the paving or other surface of the Premises caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon;

(8) Be responsible for all paving, lighting, signage, storm drains, culverts, cables, supporting structures, cleaning and snow removal in connection with existing and future access roadways which are located off of the Premises and serve the Premises exclusively; and

(9) Be responsible for the maintenance and repair of the sanitary sewer between manholes S-2 and S-18, including without limitation, any lift station, pumps and other ancillary equipment.

(c) In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild or paint within a period of twenty (20) days after notice from the Port Authority so to do in the event that the said notice specifies that the required work to be accomplished by the Lessee includes maintenance and/or repair other than preventive maintenance; or within a period of one hundred eighty (180) days if the said notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only, or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all of the Premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Premises included in the said notice, and the cost thereof shall be payable by the Lessee upon demand.

(d) Notwithstanding the terms and conditions of Section 5 of this Lease entitled "Use of Premises", paragraph (d) of Section 8 of this Lease entitled "Various Obligations of the Lessee" and this Section, it is hereby agreed and understood that except as set forth in Section 2B hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", the Lessee shall have no right nor obligation to operate, control, maintain, rebuild or repair (i) the traffic signaling system located on the roadway frontage of the Premises and the roadways located off the Premises and which was installed by the Port Authority or by the Lessee as part of the

Redevelopment Work and generally consists of traffic lights and signals and associated wiring and control panels, or (ii) the variable message sign system located on the roadway frontage of the Premises and the roadways located off the Premises and which was installed by the Port Authority or by the Lessee as part of the Redevelopment Work and generally consists of message signs, lights, wiring and control panels (which traffic signaling system and variable message sign system are hereinafter collectively called the "Traffic Systems"), provided, however, the Lessee shall pay to the Port Authority as additional rent all costs and expenses to repair, replace and rebuild all or any portion of the Traffic Systems which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its officers or employees or of other Persons on or at the Premises. Further, the Port Authority shall not have any obligation hereunder or otherwise to operate, maintain, control or continue the operation of the Traffic Systems and may at any time and from time to time discontinue the operation of any or all of the Traffic Systems and/or disable such Traffic Systems and/or remove them from the Premises and from the roadways located off of the Premises. The Port Authority shall have the right at its sole discretion to modify, replace and substitute the Traffic Systems with identical or different systems as the Port Authority shall elect and to operate and control the Traffic Systems, including without limitation, to determine the content of and to place messages on the variable message system and to determine the operating mode of the traffic signaling system.

(e) If the performance of any of the foregoing repair, maintenance, replacement, repainting or rebuilding obligations of the Lessee requires work to be performed near an active taxiway or taxilane or where safety of operations is involved, the Lessee agrees, unless otherwise permitted by the Port Authority in writing, that it will, at its own expense, post guards or take such other appropriate measures as may be directed by the General Manager of the Airport to insure the safety of the work performed thereat.

Section 11. Insurance

(a) The Lessee shall, during the term of this Agreement, insure and keep insured to the extent of 100% of the replacement value thereof, all buildings, structures, improvements, installations, facilities and fixtures now or in the future located on the Premises against all risks of physical loss or damage (including, but not limited to flood and earthquake risks), if available, and if not available, then against such hazards and risks as may now or in the future be included under the Standard Form of Fire Insurance Policy of the State of New York and also against damage or loss by windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the Standard Form of Fire Insurance Policy of New York and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction, and if the Port Authority so requests, also covering contamination hazards and risks and boiler and machinery hazards and risks in a separate insurance policy or policies or as an additional coverage endorsement to the aforesaid policies in the form as may now or in the future be prescribed as of the effective date of said insurance by the rating organization

having jurisdiction and/or the Superintendent of Insurance of the State of New York and the Lessee shall furthermore provide additional insurance covering any other peril of loss or damage that the Port Authority at any time during the term of this Agreement covers by carrier or self-insurance covered by appropriate reserves at other locations at the Airport upon written notice to the Lessee to such effect.

(b) The aforesaid insurance coverages and renewals thereof shall insure the Port Authority, the Lessee and the City of New York, as insureds, as their interests may appear, and shall provide that the loss, if any, shall be adjusted with and payable to the Port Authority.

(c) In additional to all other policies of insurance required under this Lease, the Lessee shall also procure and maintain throughout the term of the letting hereunder (including all extensions) Business Interruption Insurance in such amounts as shall be at least sufficient to cover, and applicable to, all rentals, fees, charges and other payments that are payable by the Lessee to the Port Authority under this Lease for a period of not less than three (3) years for any business interruption losses in business revenue that occur when the Premises or any portion thereof is unusable or is out of operations due to a fire or any other risks or hazards that are normally covered under a standard form of "All Risk" policy.

(d) In the event the Premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section, the Lessee shall promptly furnish to the Port Authority such information and data as may be necessary to enable the Port Authority to adjust the loss.

(e) The policies or certificates representing insurance covered by this Section shall, if not already delivered, shall be delivered by the Lessee to the Port Authority prior to the Effective Date and the policies or certificates representing the insurance covered by Section 2B(d)(12) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" shall be delivered by the Lessee to the Port Authority prior to the commencement of any Section 2B Work and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon, and also, a valid provision obligating the insurance company to furnish the Port Authority and the City of New York ten (10) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least ten (10) days before the expiration of the insurance which such policies are to renew.

(f) Regardless, however, of the Persons whose interests are insured, the proceeds of all policies covered by this Section shall be applied as provided in Section 12 hereof entitled "Damage to or Destruction of Premises"; and the word "insurance" and all other references to insurance in said Section 12 shall be construed to refer to the insurance which is the subject matter of this Section, and to refer to such insurance only.

(g) The insurance covered by this Section and by Section 2B(d)(12) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee" shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of said policies shall be made available by the Lessee to the Port Authority for inspection and reproduction at an office of the Lessee within the Port of New York District.

Section 12. Damage to or Destruction of Premises

(a) Removal of Debris. If the Premises, or any part thereof, shall be damaged by fire, the elements, the public enemy or other casualty, the Lessee shall promptly remove all debris resulting from such damage from the Premises, and to the extent, if any, that the removal of debris under such circumstances is covered by insurance, the proceeds thereof shall be made available to and be used by the Lessee for such purpose.

(b) Minor Damage. If the Premises, or any part thereof, shall be damage by fire, the elements, the public enemy or other casualty but not rendered untenantable or unusable for a period of ninety (90) days, the Premises shall be repaired with due diligence in accordance with the plans and specifications for the Premises as they existed prior to such damage by and at the expense of the Lessee and if such damage is covered by insurance the proceeds thereof shall be made available to and be used by the Lessee for that purpose.

(c) Major Damage to or Destruction of the Premises. If the Premises, or any part thereof shall be destroyed or so damaged by fire, the elements, the public enemy or other casualty as to be untenantable or unusable for ninety (90) days, or if within ninety (90) days after such damage or destruction the Lessee notifies the Port Authority in writing that in its opinion said Premises will be untenantable or unusable for ninety (90) days then: The Lessee shall proceed with due diligence to make the necessary repairs or replacements to restore such Premises in accordance with the plans and specifications for the Premises as the same existed prior to such damage or destruction; or with the approval in writing of the Port Authority make such other repairs, replacements or changes as may be desired by the Lessee. If such destruction or damage was covered by insurance, the proceeds thereof shall be made available to and used by the Lessee for such restoration.

(d) The obligation of the Lessee to repair or replace shall be limited to the amount of the insurance proceeds provided the Lessee has carried insurance to the extent and in accordance with Section 11 hereof entitled "Insurance". Any excess of the proceeds of insurance over the costs of the restoration shall be retained by the Port Authority.

(e) The parties hereby stipulate that neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

Section 13. Indemnity and Liability Insurance

(a) (1) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses, whether those of the Port Authority's Law Department or otherwise, incurred in connection with the defense of) all claims and demands of third persons including, but not limited to, claims and demands for death or personal injuries, or for property damages, arising out of a breach or default of any term or provision of this Agreement, or out of the use or occupancy of the Premises by the Lessee or by others with its consent, or out of any other acts or omissions of the Lessee, its officers, employees, guests, representatives, customers, contractors, invitees or business visitors on the Premises, or arising out of the acts or omissions of the Lessee, its officers and employees elsewhere at the Airport (excepting only claims and demands arising from the sole negligence of the Port Authority), including claims and demands of the City of New York from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City.

(2) If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it 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 provisions of any statutes respecting suits against the Port Authority.

(b) (1) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, the Lessee during the term of this Agreement in its own name as insured and including the Port Authority as an additional insured including without limitation for premises operations and completed operations, shall maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance, including premises-operations, products, completed operations, liquor liability and covering bodily injury, including death, and property damage liability, broadened to include or equivalent separate policies covering aircraft liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles in not less that the minimum limit set forth below, and Environmental Impairment Liability Insurance covering both gradual and sudden and accidental occurrences, on a claims-made basis, with a 1 year extended reporting period and, instead of being

included as an additional insured as aforesaid, including the Port Authority as an insured, as owner, and which shall be site specific and include on-site and off-site clean-up and with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to Section 59 hereof entitled "Environmental Obligations" and paragraph (e) of Section 65 hereof entitled "Storage Tanks", in not less than the limit set forth below (subject to a deductible or not more than Five Thousand Dollars and No Cents ($5,000.00) per claim). Each of the said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third Person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority and any claim or action against the Port Authority by the Lessee as though the Port Authority were a named insured but such endorsement shall not limit, vary, change, or affect the protection afforded the Port Authority thereunder as an additional insured. In addition, the said policy or policies of Commercial General Liability Insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph (a) hereof, Section 1 hereof entitled "Letting", Section 2B(q) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", Section 3(e)(7) hereof entitled "Term", paragraph (b)(2) of Section 19 hereof entitled "Assignment and Sublease", Section 29 hereof entitled "Removal of Property", Section 30 hereof entitled "Brokerage", paragraph (j) of Section 41 hereof entitled "Hot Water and Chilled Water Requirements", Section 59 hereof entitled "Environmental Obligations", Section 65 hereof entitled "Storage Tanks", paragraph (d) of Section 66 hereof entitled "Non-Discrimination" and Section 84 hereof entitled "Duty-Free Shop".

	Minimum Limits
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability:	$100,000,000.00
Commercial Automobile Liability (covering owned, non-owned and hired vehicles) Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00
Environmental Impairment Liability Combined single limit per occurrence for death, bodily injury and property damage liability for both gradual and sudden occurrences and	

both on-site and off-site cleanup: $10,000,000.00

(2) The Lessee shall also procure and maintain in effect, or cause to be procured and maintained in effect, Workers' Compensation Insurance and Employer's Liability Insurance in accordance with and as required by law and including coverage for asbestos exposure.

(3) Without limiting the provisions hereof, in the event the Lessee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with the terms and provisions hereof.

(c) Notwithstanding the foregoing, it is specifically understood and agreed that the Port Authority shall have the right upon notice to the Lessee given from time to time and at any time to require the Lessee to increase any or all of the foregoing limits to commercially reasonable amounts and the Lessee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to the Port Authority.

(d) As to the insurance required by the provisions of this Section and Section 2B(d)(11) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority. As to insurance required by this Section, delivery shall be made before the Effective Date and as to insurance required by Section 2B(d)(11) hereof entitled "Redevelopment of the Premises and Performance of the ACO Work by the Lessee", delivery shall be made at least fifteen (15) days prior to the commencement of any Section 2B Work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Port Authority. Each such copy or certificate shall contain an additional endorsement providing that the insurance carrier 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, 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. Any renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. The aforesaid insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to the form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If the Port

Authority at any time so requests, a certified copy of each of the policies shall be made available by the Lessee to the Port Authority for inspection and reproduction at an office of the Lessee within the Port of New York District.

Section 14. Signs

(a) Except with the prior written approval of the Port Authority, the Lessee shall not erect, maintain or display any signs or advertising at or on the exterior parts of the Premises or in the Premises so as to be visible from outside the Premises or at or on any other portion of the Airport outside the Premises. Interior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as the Port Authority may direct, any and all signs and advertising on the Premises or elsewhere on the Airport and in connection therewith shall restore the portion of the Premises and the Airport affected by such signs or advertising to the same condition as existing prior to the installation of such signs and advertising. In the event of a failure on the part of the Lessee so to remove, obliterate or paint out each and every such sign or advertising and so to restore the Premises and the Airport, the Port Authority may perform the necessary work and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 15. Obstruction Lights

The Lessee shall install, maintain and operate at its own expense such obstruction lights on the Premises as the Federal Aviation Administration may direct or as the General Manager of the Airport may reasonably direct, and shall energize such lights daily for a period commencing thirty (30) minutes before sunset and ending thirty (30) minutes after sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such other period as may be directed or requested by the control tower of the Airport.

Section 16. Additional Rent and Charges

If the Port Authority has paid any sum or has incurred any obligations or expenses (including without limitation payments to third Persons and internal Port Authority costs and expenses) which the Lessee has agreed to pay or reimburse the Port Authority for or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense (including without limitation payments to third Persons and internal Port Authority costs and expenses) by reason of the failure, neglect or refusal of the Lessee to perform or one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and

penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rent as set forth in Section 4 hereof entitled "Rental".

Section 17. Rights of Entry Reserved

(a) The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement or otherwise.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the Premises new systems or parts thereof, and to use the Premises for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee.

(c) (1) Further, without limiting the generality of this Section, the Port Authority, by its officers, employees, agents, representatives and contractors and furnishers of service shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport to maintain the portions of the Distribution Portion of the underground fuel system, the Traffic Systems and the Cogeneration Facility located under or on the Premises and to enter upon the Premises at all times to make such repairs, replacements or alterations to the Distribution Portion of the underground fuel system, the Traffic Systems and the Cogeneration Facility as may, in the opinion of the Port Authority, be deemed necessary or desirable and, from time to time to construct or install over, in or under the Premises additions or extensions to said Distribution Portion of the underground fuel system, the Traffic Systems and the Cogeneration Facility; provided, however, that in the exercise of such rights of access, repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee pursuant to the provisions of this Agreement.

(2) Neither the Distribution Portion of the System, the AirTrain, the Traffic Systems or the Cogeneration Facility nor any part of any of the foregoing shall be or be deemed to

be a part of the Premises under the Lease.

(d) In the event that any property of the Lessee shall obstruct the access of the Port Authority, its employees, agents or contractors to any of the existing or future utility, mechanical, electrical and other systems, the foregoing to include without limitation the Distribution Portion of the System, the AirTrain, the Traffic Systems and the Cogeneration Facility, and thus shall interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property, as directed by the Port Authority, in order that the access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

(e) Nothing in this Section shall or shall be construed to impose upon the Port Authority any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the Premises and the Port Authority shall not in any event be liable for any injury or damage to any property or to any Person happening on or about the Premises nor for any injury or damage to the Premises nor to any property of the Lessee or of any other Person located in or thereon (other than those occasioned by the affirmative acts of the Port Authority, its employees, agents and representatives).

(f) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, for and by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same.

(g) If, during the last month of the letting, the Lessee shall have removed all or substantially all its property from the Premises, the Port Authority may immediately enter and alter, renovate and redecorate the Premises.

(h) The exercise of any or all of the foregoing rights by the Port Authority or others shall not be or be construed to be an eviction of the Lessee nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

Section 18. Condemnation

(a) Definitions

(1) As used in this Section, the phrase, "Temporary Interest," when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to the possession of such property (whether or not such interest includes or is coextensive

with an interest of the Lessee therein under this Agreement), for an indefinite term or for a term terminable at will or at sufferance or for a term measured by a war or an emergency or other contingency or for a fixed term expiring prior to the expiration date of this Lease; and the phrase "Permanent Interest," when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to possession thereof, other than a Temporary Interest, including among others a fee simple and an interest for a term of years expiring on or after the expiration date of this Agreement.

(2) As used in this Section with reference to any Premises or facilities leased to the Lessee for its exclusive use or with reference to the Public Landing Area, the phrase a "Material Part" shall mean such a part of the said Premises or said Public Landing Area that the Lessee cannot continue to carry on its normal operations at the Airport without using such part.

(b) Condemnation or Taking of a Permanent Interest in All or Any Part of the Demised Premises or All or a Material Part of the Public Landing Area.

(1) Upon the acquisition by condemnation or the exercise of the power of eminent domain by any body having a superior power of eminent domain of a Permanent Interest in all or any part of the Premises or of a Permanent Interest in all or any part of the Public Landing Area (any such acquisition under this Section hereinafter referred to as a "Taking"), the Port Authority shall purchase from the Lessee, and the Lessee shall sell to the Port Authority, the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises except that in the event of a Taking of less than all of the said Premises, the Port Authority shall purchase and the Lessee shall sell only so much of the Lessee's leasehold interest in the Premises as are taken. The sole and entire consideration to be paid by the Port Authority to the Lessee shall be an amount equal to the Unamortized Redevelopment Investment, if any, of the Lessee in the Premises or, in the event of a Taking of less than all of the said Premises, an amount equal to the Unamortized Redevelopment Investment, if any, of the Lessee in so much of the Premises as are taken. However, the Port Authority shall purchase and the Lessee shall sell only if the consideration paid by the Port Authority therefor will constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants expended for capital improvements at the municipal air terminals," within the meaning of said phrase as used in Section 23, I, D of the Basic Lease or if an amount not less than such consideration can otherwise be retained by the Port Authority (and not be required to be paid to the City of New York) out of the damages or award in respect to such Taking without violation of any obligation of the Port Authority to the City of New York under the Basic Lease. Such purchase and sale shall take effect as of the date upon which such body having superior power of eminent domain obtains possession of any such Permanent Interest in the Premises or in the Public Landing Area, as the case may be, and in that event, the Lessee (except with respect to its personal property), shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such Taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property)

by reason thereof are hereby assigned to the Port Authority.

(2) If, however, the amount to be paid by the Port Authority (the Unamortized Redevelopment Investment, if any, of the Lessee in the Premises) for such leasehold interest will not constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants, expended for capital improvements at the municipal air terminals," within the meaning of said phrase as used in Section 23, I, D of the Basic Lease or if an amount not less than such consideration cannot otherwise be retained by the Port Authority (and not be required to be paid to the City of New York) out of the damages or award in respect to such Taking without violation of any obligation of the Port Authority to the City of New York under the Basic Lease, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in any such event, the Lessee shall have the right to appear and file its claim for damages in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive such amount as it may lawfully be entitled to receive as damages or payment as a result of such Taking, because of its leasehold interest in the Premises, up to but not in excess of an amount equal to Unamortized Redevelopment Investment, if any, of the Lessee in the Premises. The Port Authority and the Lessee hereby agree that as full and final settlement of any sum that may be due as rent or otherwise for the balance of the term of this Lease, the Lessee will pay to the Port Authority the excess, if any, which the Lessee may be entitled to receive over the foregoing sum. If there be no excess, any sum that may be due as rent or otherwise for the balance of the term of this Lease shall abate.

(3) In the event of the Taking of all of the Premises and if the Lessee has no Unamortized Redevelopment Investment in the Premises at the time of the Taking, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in that event, this Lease and all rights granted by this Lease to the Lessee to use or occupy the Premises for its exclusive use or for its use in common with others at the Airport and all rights, privileges, duties and obligations of the parties in connection therewith or arising thereunder shall terminate as of the date of the Taking, and in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such Taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

(4) In the event that the Taking covers only a Material Part of the Premises, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the effective date of such Taking to terminate the letting hereunder with respect to the Premises not taken, as of the date of such Taking and such termination shall be effective as if the date of such Taking were the original date of expiration hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises not taken for a consideration equal to the Unamortized

Redevelopment Investment, if any, of the Lessee in the Premises not taken. If the letting of the entire Premises is not terminated, the settlement or abatement of rentals after the date possession is taken by the body having a superior power of eminent domain shall be in accordance with Section 4 hereof entitled "Rental".

(c) Condemnation or Taking of a Permanent Interest in Less Than a Material Part of the Public Landing Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a Permanent Interest in less than a Material Part of the Public Landing Area, the Port Authority and the Lessee each shall have the right to appear and file claims for damages, to the extent of their respective interests, in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and receive and retain such amount as they may lawfully be entitled to receive as damages or payment as a result of such Taking. However, if at the time of such Taking the Lessee has no Unamortized Redevelopment Investment, in the Premises, in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such Taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

(d) Condemnation or Taking of a Temporary Interest in All or Any Part of the Demised Premises or All or a Material Part of the Public Landing Area.

(1) Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a Temporary Interest in all or any part of the Premises or of a Temporary Interest in all or a Material Part of the Public Landing Area, there shall be no abatement of any rental payable by the Lessee to the Port Authority under the provisions of this Agreement but the Lessee shall have the right to claim and in the event of an award therefor shall be entitled to retain the amount which may be awarded as damages or paid as a result of the condemnation or other Taking of such Temporary Interest, provided, that the Lessee shall be obligated to pay over to the Port Authority all such payments as may be made to the Lessee as damages or in satisfaction of such claim, after deduction of (a) reasonable expenses incurred by the Lessee in the prosecution of such claim; (b) an amount equal to the Unamortized Redevelopment Investment, if any, of the Lessee in the Unamortized Redevelopment Investment in the Premises as are taken, to the extent in either case that the same is to be amortized over the period of the Taking; and (c) the then present capitalized value of the Lessee's obligation for rentals thereafter payable during the period of the Taking in respect to the Premises, or, in the event of a Taking of less than all of the said Premises, in respect to the Premises so taken.

(2) In the event that the Taking covers a Material Part but less than all of the

Premises, then the Lessee and the Port Authority shall each have an option, exercisable by notice given within ten (10) days after the effective date of such Taking, to suspend the term of the letting of such of the Premises as are not so taken during the period of the Taking, and, in that event, the rentals for such Premises shall abate for the period of the suspension. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the Premises not taken for the period of suspension for a consideration equal to the Unamortized Redevelopment Investment, if any, of the Lessee in such Premises which is to be amortized over the period of such suspension.

(e) Condemnation or Taking of a Temporary Interest in Less Than a Material Part of the Public Landing Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a Temporary Interest in less than a Material Part of the Public Landing Area, the Lessee shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such condemnation or Taking, and all rights to damages, if any, of the Lessee, including consequential damages, by reason of such condemnation or Taking, are hereby assigned to the Port Authority.

Section 19. Assignment and Sublease

(a) The Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without the prior written consent of the Port Authority; provided, however, that this Agreement may be assigned in its entirety without such consent to any successor in interest of the Lessee which is or is to be a Scheduled Aircraft Operator, and with or into which the Lessee may merge or consolidate, or which may succeed to the assets of the Lessee or the major portion of its assets related to its air transportation system, but in any such event, such assignment shall not take effect before the assignee is actually engaged in the business of scheduled transportation by Aircraft, and provided, further, that such succeeding entity or purchaser executes and delivers to the Port Authority an instrument in a form satisfactory to the Port Authority assuming the obligations of the Lessee as if it were the original tenant hereunder.

(b) (1) The Lessee shall not sublet the Premises or any part thereof, without the prior written consent of the Port Authority, provided, however, that if any of the events set forth in Section 37(a) (1) hereof entitled "Termination by Lessee" shall occur, the Lessee may sublet the entire Premises or assign this Agreement with the consent of the Port Authority, which consent will not be unreasonably withheld if the sublessee or assignee is a Scheduled Aircraft Operator.

(2) (i) The Lessee hereby certifies, warrants and represents to the Port Authority that the Lessee is a wholly-owned subsidiary of AMR by virtue of the fact that AMR is

the absolute and unconditional owner of all of the issued and outstanding capital stock of the Lessee and, further, that American Eagle Airlines, Inc., a corporation of the State of Delaware (hereinafter called "American Eagle"), is a wholly-owned subsidiary of AMR by virtue of the fact that AMR is the absolute and unconditional owner of all of the issued and outstanding capital stock of American Eagle.

(ii) Notwithstanding any provision of this Lease and in addition thereto, and without the requirement for any permit, consent to sublease or other use agreement from the Port Authority and in reliance upon the certification, warranty and representation of the Lessee set forth in subparagraph (2)(i) above, the Port Authority hereby grants its consent to the use of the Premises by American Eagle, such use being without payment of the Port Authority fees for such use, in accordance with the terms and conditions of the Lease for so long as both the Lessee and American Eagle are wholly-owned subsidiaries of AMR by virtue of the fact that AMR is the absolute and unconditional owner of all the issued and outstanding capital stock of the Lessee and of American Eagle and to the Lessee performing ground handling for American Eagle in accordance with the terms and conditions of the Lease for so long as both the Lessee and American Eagle are wholly-owned subsidiaries of AMR by virtue of the fact that AMR is the absolute and unconditional owner of all the issued and outstanding capital stock of the Lessee and of American Eagle, such ground handling being without payment of the Port Authority fees therefor. In the event either the Lessee or American Eagle or both shall cease to be a wholly-owned subsidiary of AMR, the Lessee shall immediately so inform the Port Authority and thereafter a document or documents shall be prepared by the Port Authority and sent to the Lessee for execution by the Lessee and American Eagle which document(s) shall include, among other things, the right of American Eagle to continue to use the Premises and for the Lessee to perform ground handling for American Eagle on the terms and conditions of the Lease, and the joint and several obligation of the Lessee and American Eagle to pay to the Port Authority the then appropriate Port Authority fees therefor.

(iii) It is specifically understood and agreed that any sublease or other agreement or arrangement (hereinafter called the "American Eagle Arrangement") covering American Eagle's use and/or occupancy of the Premises shall be for a term expiring no later than the day before the expiration date of this Agreement and shall provide that the portion of the Premises to be used by American Eagle shall be used solely for the purposes set forth in Section 5 hereof. Each American Eagle Arrangement shall also provide, in accordance with Sections 52 and 53 hereof, that the term of the American Eagle Arrangement shall immediately terminate and American Eagle shall become a tenant at sufferance in the event of a termination of the term of the Lease and the Lessee becomes a holdover tenant on a month-to-month periodical tenancy pursuant to said Sections 52, 53 or otherwise.

(iv) Without limiting any rights or remedies of the Port Authority or obligations of American Eagle, the Lessee hereby assumes all risks and responsibilities for American Eagle's operations at the Airport including without limitation the payment of fees and charges payable by American Eagle to the Port Authority and the Lessee hereby agrees that all acts

and omissions of American Eagle at the Airport shall be and be deemed to be acts and omissions of the Lessee. Without limiting the generality of the foregoing or any other term or provision of this Agreement, the failure of American Eagle to comply with any agreement, term, covenant or condition of the Lease shall be and be deemed to be a failure of the Lessee to have complied with such agreement, term, covenant or condition and further the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses, whether those of the Port Authority's Law Department or otherwise, including legal expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of a breach or default of any term or provision of this Agreement by American Eagle, or out of the use or occupancy of the Premises by American Eagle or by others with its consent, or out of any other acts or omissions of American Eagle, its officers, employees, guests, representatives, customers, contractors, invitees or business visitors on the Premises, or arising out of the acts or omissions of American Eagle, its officers and employees elsewhere at the Airport, including claims and demands of the City of New York, from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City. If so directed, the Lessee 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 it 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.

(c) If without the prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of paragraphs (a) or (b) of this Section or if the Premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the Premises, and the Port Authority shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in paragraphs (a) and (b) of this Section or an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(d) Neither the limited right of assignment provided in paragraph (a) hereof nor the exercise of said right by the Lessee shall be construed or deemed to release, relieve or discharge any succeeding assignee, successor or transferee of the Lessee or any other Person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority in the event it wishes to sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting hereunder or any part

thereof, or any rights created thereby without such prior written consent of the Port Authority.

(e) The Port Authority shall not assign or otherwise transfer this Lease or any of its rights hereunder (i) to any private Person without written consent duly executed by the Lessee; or (ii) to the City of New York, unless the City of New York at the time of such assignment or transfer assumes the obligations of the Port Authority under this Lease.

(f) The Lessee shall not use or permit any Person to use the Premises or any portion thereof for any purpose other than the purposes stated in Section 5 hereof entitled "Use of Premises". Except as provided in this Agreement or otherwise permitted in writing by the Port Authority, the Lessee shall not permit the Premises to be used or occupied by any Person other than its own officers, employees, passengers, contractors and representatives.

Section 20. Termination by the Port Authority

(a) If any one or more of the following events shall occur, that is to say:

(1) The Lessee 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 of its property; or

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the Lessee, 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 any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) days after the entry thereof, any notice of cancellation shall be and become null, void and of no effect; or

(3) 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 Lessee, and such possession or control shall continue in effect for a period of sixty (60) days; or

(4) The Lessee shall voluntarily abandon, desert or vacate the Premises or discontinue its operations at the Airport, or after exhausting or abandoning any right of further appeal, the Lessee because of an act or omission of the Lessee, shall be prevented for a period of thirty (30) days by action of any Governmental Agency other than the Port Authority having

jurisdiction thereof, from conducting its operations at the Airport; or

(5) Any lien is filed against the Premises because of any act or omission of the Lessee and shall not be discharged within thirty (30) days after the Lessee has received notice thereof; or

(6) Except as otherwise in paragraph (a) of Section 19 hereof entitled "Assignment and Sublease", the letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, any other Person, firm or corporation; or

(7) 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 Lessee and shall not be dismissed within ninety (90) days after the filing thereof; or

(8) Except as otherwise provided in paragraph (a) of Section 19 hereof entitled "Assignment and Sublease", the Lessee, if a corporation, shall, without the prior written approval of the Port Authority, become a possessor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution (except that a merger or consolidation shall not be grounds for termination if the resulting corporation has a financial standing as of the date of the merger or consolidation at least as good as that of the Lessee by which is meant that its working capital, its ratio of current assets to current liabilities, its ratio of fixed assets to fixed liabilities and its net worth shall be at least as favorable as that of the Lessee); or

(9) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to pay rentals or to make any other payments required hereunder for a period of twenty (20) days after receipt of notice by it from the Port Authority to make such payments; or

(10) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed, or observed, within thirty (30) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within thirty (30) 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 at any time thereafter during the continuance thereof, the Port Authority may upon twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any breach of this Agreement by the Lessee, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies.

(c) No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of the Lease or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of the Lease during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of rentals, fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of the Lease to be performed or complied with by the Lessee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Lessee in performance of any agreement, term, covenant or condition of this Lease shall affect or alter the Lease, but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other then existing or subsequent breach or default thereof.

Section 21. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 20 hereof entitled "Termination by the Port Authority" or any other Section hereof, have the right to re-enter the Premises and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry, or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 22. Waiver of Redemption

The Lessee hereby waives any and all rights to recover or regain possession of the Premises and all rights of redemption, granted by or under any present or future law in the event it is evicted or dispossessed for any cause, or in the event the Port Authority obtains possession of the Premises in any lawful manner.

Section 23. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice