FOI#12908

32BJ SEIU
Stronger Together

SERVICE EMPLOYEES INTERNATIONAL UNION CTW, CLC

MICHAEL P. FISHMAN
President

KEVIN J. DOYLE
Executive Vice President

HÉCTOR J. FIGUEROA
Secretary-Treasurer

VICE PRESIDENTS
KYLE BRAGG
GEORGE FRANCISCO
LENORE FRIEDLAENDER
BRIAN LAMBERT
VALARIE LONG

LARRY ENGELSTEIN
Assistant to the President

Local 32BJ Headquarters
25 West 18th Street
New York, NY 10011
212.388.3000

Capital Area District
866.925.3225
Washington 202.387.3211
Baltimore 410.244.5970,

Connecticut District
800.228.5253
Hartford 860.560.8674
Stamford 203.602.6615

District 1201
215.923.5488

Florida District
305.672.7071

Hudson Valley District
914.637.7000

Mid-Atlantic District
215.226.3600

National Conference of Firemen and Oilers
202.962.0981

New Jersey District
973.824.3225

Western Pennsylvania
412.471.0690

www.seiu32bj.org

January 10, 2012

Daniel Duffy
FOI Administrator
Port Authority of New York and New Jersey
225 Park Avenue South, 17th Floor
New York, NY 10003
Via Fax: 212-435-7555

Re: Freedom of Information Request

Dear Mr. Duffy:

Pursuant to the New York State Freedom of Information Law, Article 6 of the Public Officer Law, and the Port Authority of New York and New Jersey policy on Freedom of Information found on the Port Authority's website (http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi_policy.html), I am requesting a copy of the Agreement, and any and all supplemental documents including but not limited to amendments, between the Port Authority of New York and New Jersey and the City of New York for the operation of John F. Kennedy International Airport.

Please contact me at (212)-388-3763 or via email at Tamara.Brummer@seiu32bj.org if you have any questions concerning this request. I ask that you please contact me if service and duplication charges for this request exceed $200.00 overall. Thank you for your attention to this matter.

Sincerely,
Tamara Brummer
Research Department
SEIU 32BJ
25 W. 18th Street
New York, NY 10011
Fax: 212-539-2858

THE PORT AUTHORITY OF NY & NJ

Daniel D. Duffy
FOI Administrator

February 2, 2012

Ms. Tamara Brummer
SEIU 32BJ
25 West 18th Street
New York, NY 10011

Re: Freedom of Information Reference No. 12908

Dear Ms. Brummer:

This is a response to your January 10, 2012 request, which has been processed under the Port Authority's Freedom of Information Policy for a copy of the agreement and all supplements between the Port Authority and the City of New York for the operation of John F. Kennedy International Airport.

Material responsive to your request and available under the Policy, which consists of 267 pages, will be forwarded to your attention upon receipt of a photocopying fee of $66.75 (25¢ per page). Payment should be made in cash, certified check, company check or money order payable to "The Port Authority of New York & New Jersey" and should be sent to my attention at 225 Park Avenue South, 17th Floor, New York, NY 10003.

Certain material responsive to your request is exempt from disclosure pursuant to exemption (6) of the Policy.

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

Sincerely,

Daniel D. Duffy
FOI Administrator

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

AMENDED AND RESTATED AGREEMENT OF LEASE OF THE MUNICIPAL AIR TERMINALS

between

THE CITY OF NEW YORK,
as Landlord

and

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

Dated as of November 24, 2004

TABLE OF CONTENTS

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

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

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

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

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

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

RECITALS

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

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

TERMS OF AGREEMENT

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

Section 1. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Execution Date**" shall have the meaning provided in the Preamble above.

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

"**FAA**" shall mean the Federal Aviation Administration or such successor agency designated by the Federal government.

"**Five-Year Period**" shall have the meaning provided in **Subsection 4.1** below.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 2. Lease of Demised Premises, Use and Term

2.1 Lease of Demised Premises.

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

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

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

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

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

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

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

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

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

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

Section 4. Rent

4.1 Definitions.

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

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

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

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

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

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

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

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

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

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

4.2 Payments to the City on the Execution Date.

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

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

4.3 Base Rent. The Port Authority shall pay to the City for the Demised Premises, for each Year of the Term, without notice or demand, annual rent ("**Base Rent**") as follows:

(a) for the period commencing on the Effective Date through and including the date immediately prior to the Execution Date, Base Rent in an amount equal to $3,500,000 per annum; and

(b) for the period commencing on the Execution Date through and including the Expiration Date in an amount equal to (x) Minimum Annual Rent for such Year or (y) eight percent (8%) of the Annual Gross Revenue for such Year, whichever is greater.

Under no circumstances shall the Minimum Annual Rent payable for any Year during the period described in **Subsection 4.3(b)** above be less than the Minimum Annual Rent payable in any prior Year. All amounts due and payable by the Port Authority to the City pursuant to **Subsection 4.3(a)** have been received by the City on or before the Execution Date.

4.4 Annual Statements.

4.4.1 Intentionally Deleted.

4.4.2 By March 31 immediately following each Year, commencing the March 31 following the Execution Date, Chief Financial Officer of the Port Authority shall deliver, a statement (each, an "**Annual Statement**") to the Person(s) or agencies designated by the City, from time to time, by written notice to the Port Authority, which Annual Statement shall include the following:

(a) A separate itemized statement, by source, for each of the Municipal Air Terminals setting forth the Annual Gross Revenue attributable to such Municipal Air Terminal for such Year, each of which statements shall be substantially in the form of **Exhibit D-1** annexed hereto and shall include, without limitation, a detailed statement setting forth, with particularity, each and every item of income, money or revenue that is described in the definition of Annual Gross Revenue for such Year, together with all items of income, money or revenue derived by or for the account of the Port Authority (or its Affiliates) from or arising out of or in connection with such Municipal Air Terminal that were excluded from Annual Gross Revenue for such Year, accompanied by a brief statement of the reason for exclusion of each such item together with a certification of each of the Chief Financial Officer of the Port Authority and the Port Authority's independent auditor certifying the accuracy of the determination of Annual Gross Revenue within the meaning of **Section 4.1** hereof; and

(b) The Port Authority's determination of the Base Rent for such Year, together with a certification from each of the Chief Financial Officer of the Port Authority and the Port Authority's independent auditor that the Port Authority's determination of the Base Rent for such Year complies with the definition of "Base Rent" set forth in **Subsection 4.3** of this Agreement and is in compliance with this Agreement.

4.4.3 (a) The Annual Statement to be delivered on the March 31 immediately following the end of each Five-Year Period shall, in addition to the information indicated above, include the following information:

(i) An itemized summary of the Annual Gross Revenue attributable to each of the Municipal Air Terminals with respect to the preceding Five-Year Period, substantially in the form of **Exhibit D-3** annexed hereto;

(ii) The Port Authority's determination of the Minimum Annual Rent for the Five-Year Period beginning in the Year in which such Annual Statement is delivered, together with a certification from each of the Chief Financial Officer of the Port Authority and the Port Authority's independent auditor that the Port Authority's determination of the new Minimum Annual Rent complies with the definition of "Minimum Annual Rent" set forth in **Subsection 4.1** of this Agreement.

(b) The Port Authority represents that it has heretofore delivered to the City a certified statement for the Year 2002 and Year 2003. The Port Authority hereby

represents that the Annual Gross Revenue with respect to Year 2002 is $935,731,362.00 and the Annual Gross Revenue with respect to Year 2003 is $986,045,051.00.

4.4.4 In the preparation of Annual Statements, each item of Annual Gross Revenue shall be computed in accordance with GAAP, consistently applied from Year to Year. The Chief Financial Officer of the Port Authority and the Port Authority's independent auditor shall certify each Annual Statement to the foregoing effect, and also to the effect that such Annual Statement fairly reflects Annual Gross Revenue for the applicable Year (except as described in the corresponding Statement of Management, if applicable). In the event that, in connection with the preparation of any Annual Statement, there is a variation in the manner of computation of any item of Annual Gross Revenue or the application of, or deviation from, GAAP, regardless of whether such variation or change produces an immediately discernable impact on the determination of Annual Gross Revenue, in each case, the Annual Statement shall include a "Statement of Management", which shall (i) identify with specificity each such variation, deviation or change and (ii) describe the reason for each such variation or change.

4.4.5 The form of any of the schedules attached hereto in **Exhibit D** may be revised, from time to time, upon the mutual written agreement of the City and the Port Authority. The Port Authority shall consider in good faith any changes in the form of such schedules that the City may propose.

4.4.6 The Port Authority shall deliver each Annual Statement to the City in both printed and electronic format.

4.4.7 The certifications to be made pursuant to **Subsection 4.4.2(a), 4.4.2(b), 4.4.3** and **4.4.4** above may be made in a single separate document accompanying and referring to the relevant portions of the Annual Statement.

4.4.8 The Port Authority shall, upon finalizing its budget with respect to each Year, provide to the City a separate itemized estimate for each of the Municipal Air Terminals reflecting the estimated Annual Gross Revenue, by source, attributable to such Municipal Air Terminal for such Year. A second, updated estimate, substantially in the form of **Exhibit D-2**, shall be provided by the Port Authority by September 1 of such Year. Together with each updated estimate, the Port Authority shall include a statement, signed by the Chief Financial Officer of the Port Authority, (i) identifying with specificity any material variation between each item of Annual Gross Revenue in the previous Year and the estimate of such item of Annual Gross Revenue delivered to the City in accordance with this **Subsection 4.4.8** and (ii) describing the reason for each such variation. For the purposes of this **Subsection 4.4.8**, a "material variation" shall mean a difference of five percent (5%) or more between two (2) successive Years or a change of ten percent (10%) or more over any period of three Years, but only to the extent such difference exceeds two hundred thousand dollars ($200,000.00) (the foregoing dollar amount to be increased annually in proportion to the increase, if any, in the Consumer Price Index).

4.5 Payment of Base Rent. For the portion of Year 2004 commencing on the Execution Date and for each Year thereafter, Base Rent shall be paid as follows:

(a) With respect to each Year during such period, the Port Authority shall pay to the City an amount equal to the Minimum Annual Rent for such Year, in twelve (12) equal installments (each an "**Installment**"), payable monthly in advance on the first (1st) day of January and on the first (1st) day of each succeeding calendar month of such Year. Notwithstanding the foregoing, with respect to the first Year of each Five Year Period commencing with the 2007-2011 Five Year Period, Installments shall be equal to the Installments payable by the Port Authority during the immediately preceding Year until such time that the Port Authority delivers the Annual Statement to the City for the immediately preceding Year. Each Installment due and payable after the date of delivery of such Annual Statement shall be equal to one twelfth (1/12th) of the Minimum Annual Rent for the then current Year (as reflected in such Annual Statement). Simultaneously with the delivery of such Annual Statement, the Port Authority shall also pay to the City the amount, if any, by which (x) the Minimum Annual Rent (as reflected in such Annual Statement) with respect to the portion of the then current Year for which Installments were due and payable pursuant to this **subparagraph (a)** exceeds (y) the amount actually paid by the Port Authority with respect to the period described in **clause (x)** above, plus interest on such excess (if any) at the Interest Rate, accruing with respect to each Installment from the first (1st) day of the calendar month to which such Installment applies through and including the date on which the Port Authority delivers such Annual Statement.

(b) In addition to the Installments for each Year payable by the Port Authority pursuant to **subparagraph (a)** above, the Port Authority shall, simultaneously with the delivery to the City of each Annual Statement (in accordance with **Subsection 4.4** above), pay to the City the amount, if any, by which (x) the Base Rent for the Year to which such Annual Statement applies, exceeds (y) the Minimum Annual Rent paid by the Port Authority for such Year, plus interest on such excess (if any) at the Interest Rate, accruing with respect to each Installment from the first (1st) day of the calendar month to which such Installment applies through and including the date of payment.

4.6 Payment of Taxes, etc., Deemed to be Payment of Rent. No breach by the City of any covenant, term or condition in this Agreement shall excuse the Port Authority from the prompt payment of the Rent; provided, however, that in the event the Port Authority, under any law that may hereafter be enacted or applied, shall be or become subject to and liable for payment to the City of any real estate taxes, assessments or governmental levies or imposts (except charges for water and for the use of the sewer system pursuant to **Section 12** and **Section 13** of this Agreement or other charges for municipal services that are generally applicable to the use of such services) upon or against the Demised Premises or upon any part or parts thereof, then the payment by the Port Authority of the amount of such taxes, assessments, levies or imposts (except those imposed on Subtenants for which the Port Authority, by agreement with such Subtenants, assumes the obligation to pay) shall, as between the City and the Port Authority, be deemed payment pro tanto of the Rent, and the amount of each such payment shall be treated as a credit against Base Rent otherwise payable hereunder.

4.7 Additional Rent. Except as otherwise expressly provided to the contrary herein, the Port Authority shall pay all Additional Rent when due without notice or demand therefor, but in any event within thirty (30) days after demand therefor by the City.

4.8 Late Fee. In the event that any payment of Base Rent, Additional Rent, the Lump Sum Payment or the Additional Lump Sum Payment shall not be paid on the due date thereof, then, in addition to reimbursing the City for any costs and expenses incurred by the City in connection therewith (including, without limitation, reasonable attorneys' fees and disbursements), the Port Authority shall also pay, as Additional Rent, interest on the sums so overdue at the Late Rate and such interest shall accrue from the applicable due date through and including the date of payment or, in the case of unpaid water and sewer charges payable to the Water Board, the Port Authority shall also pay interest according to the Water Board rules and regulations directly to the Water Board. No failure by the City to insist upon the strict performance by the Port Authority of its obligations to pay said interest shall constitute a waiver by the City of its right to enforce the provisions of this **Subsection 4.8** in any instance thereafter occurring. The provisions of this **Subsection 4.8** shall not be construed in any way to extend the grace periods or notice periods provided for in **Section 25** of this Agreement or to otherwise limit the City's rights and remedies under this Agreement or otherwise.

4.9 Covenants with Respect to Contracts; Other Port Authority Amenities.

4.9.1 All negotiations by the Port Authority (or its Affiliates) for contracts or other agreements on the provision of goods or services at or with respect to the Demised Premises (including, without limitation Subleases, service contracts and advertising contracts) shall be at arm's-length with Persons unrelated to the Port Authority or to Affiliates of the Port Authority.

4.9.2 In the event any such contract or other agreement relates in part to the Demised Premises and in part to other facilities or real property owned or operated by the Port Authority, all income or revenues received or derived by or for the account of the Port Authority (or its Affiliates) in connection with such contracts and agreements shall be apportioned between the Demised Premises and such other property or interests on a fair and equitable basis and the portion allocated to the Demised Premises shall be included in Annual Gross Revenue.

4.10 City's Right to Review the Port Authority's Determination of Base Rent.

4.10.1 *Statement of Adjustment.*

(a) The City shall have the right at any time and from time to time to review the Port Authority's determination of Rent and all components thereof, Annual Gross Revenue and all other information set forth in the Annual Statement for any Year. Without limiting the City's rights and remedies under this Agreement or otherwise, if the City disagrees with the Port Authority's determination of Base Rent, Minimum Annual Rent, Annual Gross Revenue or any other information set forth in an Annual Statement, the City may deliver a statement (the "**Statement of Adjustment**") to the Port Authority indicating with specificity (i) in what manner the City believes that the Port Authority's determination of Base Rent, Annual Gross Revenue, Minimum Annual Rent and/or such

other items indicated in such Statement of Adjustment, as applicable, for the Year(s) in question are incorrect or incomplete or otherwise subject to recalculation, including, without limitation, the basis of the City's belief and (ii) the aggregate amount of additional Base Rent, if any, payable by the Port Authority as a consequence of the City's re-determination thereof.

(b) If the Port Authority agrees with the re-determination(s) reflected in a Statement of Adjustment, the Port Authority shall, within thirty (30) days after its receipt of such Statement of Adjustment, deliver the additional Base Rent payable by the Port Authority pursuant thereto, plus interest thereon at the Late Rate, which such interest shall accrue from the date that each such payment of Base Rent would have been due and payable under this Agreement through the date of payment. If the Port Authority does not agree with such re-determination by the City, the Port Authority shall, within thirty (30) days after its receipt of the Statement of Adjustment, notify the City to such effect, and thereafter the parties shall proceed in good faith to resolve the issues raised in the Statement of Adjustment; provided that, within ten (10) days after a demand by the City, the Port Authority shall pay to the City the additional Base Rent reflected in the Statement of Adjustment in question.

(c) In the event that, based upon the final determination of issues raised in any Statement of Adjustment, it is determined that as a result of any payment made by the Port Authority in response to a demand by the City pursuant to **Subsection 4.10.1(b)** above, the Port Authority overpaid any portion of Base Rent, the Port Authority shall be entitled to a credit against Base Rent equal to such overpayment, plus interest thereon, accruing at the Late Rate from the date the Port Authority made such payment through the date of such determination. Any credit due to the Port Authority pursuant to this **Subsection 4.10.1(c)** shall be applied against the installments of Rent next due and payable by the Port Authority until the entire amount of such overpayment has been so credited.

(d) In the event that, it is determined that the Port Authority underpaid any portion of Base Rent, the Port Authority shall, within ten (10) days after the issuance of a final non-appealable judgment by a court of competent jurisdiction of such underpayment, pay to the City the amount of such underpayment plus interest thereon accruing at the Late Rate from the date that each portion of such underpayment of Base Rent was due and payable under this Agreement through the date of payment.

4.10.2 In no event shall the City have the right to object to or challenge the Rent for any Year following the sixth (6th) anniversary of the date upon which the Port Authority delivers to the City the Annual Statement applicable to such Year. Notwithstanding the foregoing, neither the acceptance of Rent from the Port Authority, nor the failure to review or object to any Annual Statement or methodology, interpretation or practice used in calculating Rent, irrespective of how many years the same methodology, interpretation or practice has been followed in the calculation of Rent, shall estop the City from asserting, or be deemed a waiver by the City of, its rights to review, object to and/or challenge the calculation of Rent or any methodology, interpretation or practice used in same, for any Year, including Years prior to the Effective Date; provided, however, that the City hereby waives its right to challenge the

methodology used in calculating the rent payable under the Old Agreement to the extent such methodology was challenged in the City's Amended Demand, dated March 10, 2000, in the Arbitration.

4.10.3 The provisions of this **Section 4.10** shall survive the expiration or sooner termination of this Agreement.

4.11 Preservation of Rights. The Port Authority shall not take, nor shall it permit its Affiliates to take, any actions that would adversely affect the ability under law of the Port Authority to pay, and of the City to receive and retain, any and all amounts of Rent due (or any component thereof) for all or any portion of the Municipal Air Terminals or the Lump Sum Payment or the Additional Lump Sum Payment, and each party shall cooperate with the other party by taking all reasonable actions to preserve such abilities. This provision shall survive the expiration or earlier termination of this Agreement.

4.12 Payments. All payments of Base Rent and all other amounts payable by the Port Authority under this Agreement shall be paid without notice or demand (except when a notice or demand is expressly required hereunder), and without deduction or setoff, in lawful money of the United States of America, by wire transfer to the account designated by notice, from time to time, to the Port Authority from the City's Budget Director (or his successor in function); or, at the City's direction by notice to the Port Authority from the City's Budget Director (or his successor in function), any such amount shall be paid by check drawn on a bank or trust company which is a member of the New York Clearinghouse Association to the City Office of Management and Budget at the address listed in **Section 27** (or to such other City Agency or address as the City's Budget Director (or his successor in function) may designate, from time to time, by notice to the Port Authority). Notwithstanding the foregoing, all amounts payable in connection the consumption and use of water and wastewater services shall be paid directly to the Water Board pursuant to **Subsection 13.2**, except in the event that, pursuant to **Subsection 32.2**, the City shall discharge a lien filed against the Demised Premises as a result of a failure by the Port Authority to timely pay any water or wastewater rents and surcharges when due and owing, in which case, the Port Authority shall pay such amounts directly to the City as Additional Rent in accordance with **Subsection 32.2**.

4.13 No Limitation on Settlement Rights. Nothing contained in **Subsection 4.11** is intended to limit, or shall be deemed to limit, in any way, the Port Authority's right to negotiate settlements of amounts owed by Subtenants.

4.14 Pledge of Revenue. Nothing contained in this Agreement shall prevent the Port Authority from pledging, in whole or in part, the revenues of the Municipal Air Terminals, other than the portion of Annual Gross Revenue that constitutes Rent hereunder, as security for the payment of Bonds or for the fulfillment of any other obligations directly assumed by it, or from making such Bonds a lien or charge upon such revenues, which pledge or lien shall be subject and subordinate to this Agreement and shall expressly so provide.

Section 5. Repairs

5.1 The Port Authority shall for the duration of the Term take good care of the Demised Premises together with all Equipment, whether now existing or hereafter added, and shall make all necessary repairs, inside and outside, structural or otherwise so as to maintain and preserve the Demised Premises and all Equipment in good order and condition, subject to ordinary wear and tear, and keep the Demised Premises and all Equipment operating in accordance with **Section 28** and all other terms and conditions of this Agreement.

5.2 Notwithstanding the provision of **Subsection 5.1** above, the parties understand and acknowledge that at any given time during the Term, there will be a portion of the Improvements and Equipment that will have become functionally obsolete or will have substantially outlived their useful lives, for which no replacement is necessary or warranted or for which a new use or replacement has not yet been devised or planned, and the foregoing provisions of this Section shall not apply to such Improvements and Equipment; provided that such failure to replace or to obtain such new use or replacement shall not impair the use, operation, maintenance or development of either Municipal Air Terminal in accordance with Section 28 and all other requirements of this Agreement.

5.3 In the event the Demised Premises or any part thereof, or any Equipment, is in a state of disrepair at the end of the Term resulting from the failure of the Port Authority to repair, replace, maintain or paint the Demised Premises, or any part thereof or any Equipment during the Term, then the Port Authority shall be required, at its sole cost and expense, to repair, replace, paint and restore the Demised Premises and any Equipment to the condition that the Demised Premises and Equipment would have been in had the Port Authority complied with its obligations set forth in the foregoing **Subsections 5.1** and **5.2.**

5.4 The provisions of this **Section 5** shall survive the expiration or termination of this Agreement.

Section 6. Representations

6.1 Representations of the Port Authority.

6.1.1 Upon the execution and delivery by the Port Authority of this Agreement and the Side Agreements, each of such documents will be a valid and binding obligation of the Port Authority, enforceable against the Port Authority in accordance with its terms.

6.1.2 Prior to the date hereof, the Port Authority has delivered a true, correct and complete copy of the Newark Airport Lease, together with each of the amendments thereto, as indicated on **Schedule E** attached hereto.

6.2 Representations of the City. Upon the execution and delivery by the City of this Agreement and the Side Agreements, each of such documents will be a valid and binding obligation of the City, enforceable against the City in accordance with its terms.

Section 7. Assignment and Subletting by the Port Authority

7.1 No Assignment, etc. The Port Authority shall not assign, mortgage, pledge, hypothecate, or encumber this Agreement or any part hereof or sublet the Demised Premises or one or more of the Municipal Air Terminals substantially in its or their entirety. In the event this Agreement is assigned, pledged, mortgaged, hypothecated, or encumbered in any way, or in the event the Demised Premises are sublet in violation of the provisions hereof, the City, in addition to any other remedies it may have, may collect rent from any assignee of the Demised Premises or any undertenant or occupant thereof, and apply the net rent collected to the rent reserved herein; but no such assignment, occupancy, or collection shall be deemed a waiver of this covenant or the acceptance of the assignee or subtenant as a tenant or a release of the Port Authority from the further performance by it of the covenants on its part to be performed.

7.2 Subletting. The Port Authority may sublet or sublease parts of the Demised Premises for the purposes set forth in **Subsection 2.2** hereof and enter into other agreements with Subtenants for such purpose. This consent shall not, however, include the right to sublet to one person or related persons the entire Demised Premises in a single transaction or a series of related transactions or to sublet to one person or related persons a Municipal Air Terminal substantially in its entirety in a single transaction or a series of related transactions. Under no circumstances shall the Port Authority be permitted to assign, delegate or otherwise alienate control or operational responsibility for a Municipal Air Terminal. All Subleases, whether now existing or to be entered into in the future, are hereby expressly subject and subordinate to this Agreement. Notwithstanding the foregoing, the Port Authority shall cause each Sublease entered into by the Port Authority from and after the Execution Date (and, with respect to any existing Sublease that is hereafter extended, other than pursuant to a pre-existing right on the part of the Subtenant to extend its Sublease, such existing Sublease) to provide the following:

(a) Such Sublease is subject and subordinate to this Agreement and to any interest superior to that of the Port Authority's;

(b) The Subtenant thereof will not pay rent or other sums under the Sublease for more than one (1) month in advance (excluding security and other deposits required under such Sublease);

(c) With respect to Subleases, the Subtenant thereof on the termination of this Agreement will, at the City's option, attorn to, or enter into a direct lease on identical terms with, the City;

(d) An indemnity by the Subtenant thereof for the benefit of the City covering all matters described in **Section 31** of this Agreement;

(e) A restriction on the Subtenant's use of the premises covered by the Sublease, which shall not provide for any use other than as permitted under this Agreement;

(f) A requirement that the Subtenant thereof shall use, operate and maintain the premises covered by the Sublease in a manner consistent with the Port Authority's obligations under **Section 28** hereof;

(g) That the failure of the Subtenant thereof to comply with the forgoing provisions shall be an event of default under such Sublease, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate such Sublease and exercise any other rights that the Port Authority may have as the sublandlord of such Sublease; and

(h) Each Sublease which requires the Subtenant to carry property or liability insurance shall require that the City be named as an additional insured or loss payee thereunder, as applicable.

Upon request of the City, the Port Authority will deliver to the City, within thirty (30) days of each such request, true and complete copies of each existing or future Sublease.

The Port Authority shall make commercially reasonable efforts to cause the Subtenants to comply with the terms of their Subleases.

7.3 Water and Sewer Rents. Notwithstanding any mortgage, pledge, hypothecation, or encumbrance of any part of this Agreement, or the Sublease of any part of the Demised Premises, the Port Authority hereby agrees and acknowledges that, with respect to any period prior to the Expiration Date or earlier termination of this Agreement, it is wholly responsible for the payment of all water and wastewater rents and surcharges when due and owing in accordance with **Section 13** herein. The provisions of this **Subsection 7.3** shall survive the expiration or sooner termination of this Agreement.

Section 8. Accounts and Records

8.1 Keeping of Accounts and Records. The Port Authority shall, with respect to each Year, keep and maintain complete accounts and records in regard to its operation of the Demised Premises and the Municipal Airports for such Year in both printed and electronic format including, without limit, such accounts and records as may reasonably be required by the City for the purposes of verifying, if it shall so desire, the computation of Rent, Annual Gross Revenue and the accuracy of the Annual Statements and any other information required to be delivered by the Port Authority to the City pursuant to this Agreement or to the Airport Board pursuant to the Airport Board Agreement. The Port Authority shall maintain the accounts and records described in this **Subsection 8.1** for each Year until at least the end of the sixth (6th) anniversary of the date upon which the Annual Statement for such Year has been delivered to the City; provided that, in the event of a dispute between the parties with respect to this Agreement and relating to a particular Year, then the Port Authority shall maintain such accounts and records with respect to such Year or related to the dispute until a final non-appealable determination with respect to such dispute has been issued by a court of competent jurisdiction.

8.2 Availability of Accounts and Records. At any time prior to the sixth (6th) anniversary of the Expiration Date or earlier termination of this Agreement, the Port Authority shall (i) deliver to the City, in electronic format and within fifteen (15) days after each demand therefor, all or any portion of the records and accounts required to be kept by the Port Authority in electronic format pursuant to **Subsection 8.1** above and (ii) allow the City and any duly authorized representative of the City, at all reasonable times, to inspect, audit and copy all of the

accounts and records required to be maintained by the Port Authority pursuant to **Subsection 8.1** above. For the purpose of verifying the Annual Statements, the Port Authority shall make available agreement and lease files, and records reflecting any adjustments to accounts, and audit reports made by the internal auditors of the Port Authority or by outside accountants retained by the Port Authority or by consultants, relating to or verifying the factors of revenue which enter into the computation of Base Rent.

8.3 Subleases and other Agreements. Without limiting any of the other provisions of this Agreement, the Port Authority shall, promptly after each request by the City, deliver to the City (i) a list of all of the Subleases, service contracts, funding agreements and all other agreements entered into by the Port Authority in connection with the Municipal Air Terminal during or with respect to the Years indicated in the applicable request from the City and (ii) true, correct and complete copies of all of such agreements, but only to the extent requested by the City. The City may ask for documents by name, category or by some other designation if it elects to do so.

8.4 Survival. The provisions of this **Section 8** shall survive the Expiration Date or earlier termination of this Agreement.

Section 9. Financing the Development of the Municipal Air Terminals

9.1 Port Authority Bonds. The Port Authority shall have the right, in its discretion, to issue Bonds, including Special Project Bonds, and to make expenditures, from time to time, in such amounts as it may deem to be necessary or appropriate to rehabilitate, expand, improve and develop the Municipal Air Terminals.

9.2 No Lien upon Demised Premises. No Bonds, whether issued For Municipal Air Terminal Purposes or otherwise, shall be a lien or charge upon the Demised Premises or on Landlord's interest therein. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

9.3 No Pledge of Revenue Beyond Term. Notwithstanding any other provision of this Agreement, (i) any pledge of revenues of the Municipal Air Terminals to secure Bonds or bonds issued by any Affiliate of the Port Authority or by any Subtenant shall be expressly subject and subordinate to the terms and conditions of this Agreement, (ii) the Port Authority shall not pledge any revenues of the Municipal Air Terminals, or any part thereof, derivable at any time after the end of the Term or sooner termination thereof (other than revenues accruing prior to the end of the Term), as security for the repayment of principal or interest, or of any part thereof, on any Bonds, and (iii) no Bonds or bonds of any Affiliate of the Port Authority or any Subtenant shall affect in any manner whatsoever or grant any right whatsoever to or in the Municipal Air Terminals or their use, operation or maintenance, or revenues for or during, any period after the Expiration Date or sooner termination of the Term. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

9.4 No City Obligation. Bonds shall not be an obligation of the City, and the Port Authority shall have no power to pledge the credit of the City in any way whatsoever. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

9.5 Financing of Projects by the City. During the Term, the City shall not finance any projects at the Demised Premises, except that such restriction on financing shall not apply with respect to (i) projects for which the City has adopted inducement resolutions prior to January 16, 2004, (ii) the refunding of any bond issues by the City or (iii) the maintenance, repair, extension, relocation, upgrading or replacement of any services or utilities provided or to be provided by the City, including, without limitation, all maintenance, repair, restoration, relocation, replacement and extension work that DEP elects to make to the Retained Water System Property pursuant to Section 12 and Section 13 of this Agreement.

Section 10. Competitive Facilities

10.1 By the City. During the Term and subject to **Section 10.2**, the City shall not, except as hereinafter provided, promote, finance, establish, construct, operate, or maintain within the geographic limits of the City any competitive airplane runways, landing areas, or other facilities for the landing or taking-off of aircraft, without the consent of the Port Authority, and shall not authorize any other person so to do, without such consent. Airplane runways, landing areas or other facilities designed or used for the landing or taking off of aircraft shall be deemed to be competitive with the Municipal Air Terminals if they are designed or used for the accommodation of any aircraft operated by common or contract carriers on scheduled or non-scheduled flights carrying passengers, mail, or cargo who or which are moving between a point within the Port of New York District and a point without the Port of New York District; or if they are designed or used for the accommodation of other aircraft having an allowable gross weight at take-off under existing or future Federal regulations in excess of 10,000 pounds. The prohibition shall not apply, and the Port Authority's consent shall not be required, in connection with, (i) facilities for the landing and taking off of aircraft, existing as of the Effective Date, (ii) any privately owned or operated airplane runways, (iii) helicopter landing areas or (iv) seaplane bases.

10.2 City's Power of Regulation Unaffected. The provisions hereof shall in no way affect the right of the City to have power of regulation over airports, airplane landing sites, and seaplane bases in the Port of New York or in the City, which are privately owned or operated; or the right to regulate such further local facilities, whether or not privately owned or operated, including helicopter landing sites and seaplane bases, as may be required in the public interest.

10.3 By the Port Authority. During the Term the Port Authority shall not promote, finance, establish, construct, operate or maintain within the geographic limits of the City any airplane runways, landing areas, or other facilities for the landing or taking off of aircraft without the express written consent of the City except at the Municipal Air Terminals. Nothing herein contained, however, shall prevent the Port Authority from promoting, financing, establishing, constructing, operating or maintaining airplane runways, landing areas, or other facilities for the landing or taking off of aircraft at any point or points outside of the limits of the City.

Section 11. Garbage Removal, Snow Removal, Police and Fire Protection

11.1 Garbage Removal. The Port Authority shall be responsible, at its sole cost and expense, for the collection and proper disposal of all garbage and refuse from each of the Municipal Air Terminals and the Demised Premises.

11.2 Snow Removal. The Port Authority shall, at its sole cost and expense, be responsible for removal of snow and ice from the Demised Premises. The Port Authority shall not place such snow and ice upon any of the public streets or highways of the City, other than in the immediate vicinity of the Light Rail System. The City shall not place at or on the Demised Premises any snow or ice originating from City-owned property.

11.3 Police and Fire Protection. The Port Authority will provide all necessary police for patrolling, for guarding and for traffic control in the Demised Premises, and equipment and personnel for aircraft crash, fire protection and rescue work. The City will have no responsibility for maintaining fire or police personnel in the Demised Premises. The Police Department of the City shall respond to calls from the Port Authority in the event of the commission of crime, rioting, disasters and other emergencies in the Demised Premises, and the Fire Department of the City shall respond to calls by the Port Authority in the event of a fire or any other emergency.

Section 12. Sewer and Other Rights Reserved to the City

12.1 Water and Wastewater System Property.

12.1.1 The parties recognize that within the Demised Premises there are currently located sewers, water mains, water and wastewater conduits, wastewater treatment facilities, sludge lines, a sludge dock and a sludge tank, power lines, telephone and signal lines, meters and other facilities to which the City retains ownership and control and which are not part of the Demised Premises and not subject to this Agreement (**"Retained Water System Property"**), and acknowledge and agree that the City shall have the right to maintain, repair, restore and replace all portions of the Retained Water System Property, provided, that any such maintenance, repair, restoration or replacement shall not interfere with or affect the safe operation of the Demised Premises. For that purpose, the City and its duly designated officials and employees shall have the right, at all reasonable times and on reasonable notice to the Port Authority (provided that, in the event of an emergency the City and its duly designated officials and employees shall have the right at all times and without prior notice), to enter upon the Demised Premises with personnel, equipment, trucks and vehicles for the purpose of making inspections, repairs, replacements and restorations (including but not limited to any restoration following a casualty) of the Retained Water System Property as shall be necessary in the opinion of the City.

12.1.2 The parties also recognize that within the Demised Premises there are currently located sewers, water mains, water and wastewater conduits and other facilities installed by the Port Authority (the **"Port Authority Water System Property"**). The parties hereby acknowledge that the Port Authority shall, at all times, maintain and operate, at its sole cost and expense, the Port Authority Water System Property and that such maintenance and operation of the Port Authority Water System Property shall comply with, and remain subject to, all applicable laws. By its execution of this Agreement, the City shall not be deemed to have consented to or approved any portion of the Port Authority Water System Property that has been, or may hereafter be, installed in violation of any applicable laws or without the proper consent of DEP and any other applicable Governmental Authority.

12.1.3 The City further reserves the right to use Thurston Basin and Bergen Basin within the Demised Premises, as shown on Sheet JFK-1 of **Exhibit A**, respectively, as outlets for storm sewers, and the further right, subject to security requirements, to use Bergen Basin as a means of access by tugs, tug-boats, barges and other water craft between Jamaica Bay and the sludge dock and tank located on the west side thereof, or for any other purpose consistent with its responsibilities to provide water and wastewater services for the City; provided that such purpose does not materially impair the operations of the Port Authority or its use of the Demised Premises for purposes permitted hereunder. If the City determines it is necessary for the provision of water and wastewater services, the City shall obtain any required permits and arrange to perform any dredging work at Thurston and Bergen Basins, as it deems necessary. The Port Authority shall have the right to bulkhead the sides of the basins and dredge Thurston and Bergen Basins at its own cost for navigation purposes if it so desires to do, and to use or permit their use for such purposes upon the prior written approval of the DEP, but the City shall have no obligation to dredge or maintain them for those purposes.

12.1.4 The Port Authority shall not construct or demolish or permit the construction or demolition of any building or structure or make or permit the making of any excavation which will interfere with or affect the usefulness of any Retained Water System Property or any other City owned sewer, water main, water or wastewater conduit, or facility related to a wastewater treatment plant owned and operated by the City or any appurtenant facility thereof or similar facility without the prior written approval and supervision of the DEP and any other applicable Governmental Authority.

12.1.5 In the event it is necessary to extend or relocate any portion of the Retained Water System Property as a result of any construction, fill or excavation done or to be done by the Port Authority or its Subtenants at, on or under the Demised Premises or because any Improvement requires additional water and wastewater services, any such extension or relocation shall be done or caused to be done at the sole cost of the Port Authority and upon plans and specifications and timelines approved by, and under the supervision of, DEP or the agency of the City succeeding to DEP's jurisdiction.

12.1.6 In the event it is necessary to extend or relocate any portion of the Port Authority Water System Property as a result of any construction, fill or excavation done or to be done by the Port Authority or its Subtenants at, on or under the Demised Premises or because any Improvement requires additional water and wastewater services, any such extension or relocation, and the operation and maintenance, repair or restoration associated therewith, shall be done or caused to be done at the sole cost of the Port Authority and upon plans and specifications and timelines approved by, and under the supervision of, DEP or the agency of the City succeeding to DEP's jurisdiction.

12.1.7 The parties recognize that, during the Term, the City may find it necessary, not only to maintain the existing Retained Water System Property, but also to relocate and extend the Retained Water System Property and to construct and maintain new sewers within the Demised Premises to serve areas or property outside of the Demised Premises. Accordingly, the City may relocate and extend the Retained Water System Property and may construct new sewers or extend existing sewers within the Demised Premises to the extent necessary, to areas or property outside of the Demised Premises, provided, that any such relocation and extension of

the Retained Water System Property, and construction or extension of new sewers to serve areas or property outside of the Demised Premises, shall not interfere with or affect the safe and efficient operation or future development of the Demised Premises. Upon the relocation or extension of the Retained Water System Property, or the construction or extension of new sewers to serve areas or property outside of the Demised Premises, the same shall become part of the Retained Water System Property. The City shall have the right to enter upon the Demised Premises in order to perform such relocation or extension of the existing Retained Water System Property, or the construction or extension of new sewers to serve areas or property outside of the Demised Premises at its own cost, subject to the prior approval of the Port Authority as to the proposed timing and location and in accordance with plans and specifications approved by the Port Authority. All work performed by the City in connection with the construction or extension of such sewers under this **Section 12.1.7** shall be done in a manner consistent with the safe and efficient operation of the Municipal Air Terminals and, to that end only, the Port Authority shall supervise the work

12.2 Utility Easements. The lease of the Demised Premises is subject to any existing easements or rights of gas, electric and other public utility companies to maintain facilities therein. The Port Authority shall have the right to use and maintain utility facilities heretofore installed in the portion of the bed of Ditmars Boulevard identified on Sheet LGA-2 of **Exhibit A** as the Ditmars Boulevard Utility Easement and more particularly described in **Exhibit B-8** attached hereto, which facilities shall be deemed Equipment for purposes of this Agreement.

Section 13. Water and Wastewater Service

13.1 The City shall provide and maintain water supply lines up to the perimeter of the Demised Premises necessary to serve the Municipal Air Terminals.

13.2 The City shall, at its own expense, install and maintain such meter or meters that DEP determines are best suited for measuring the amount of water and wastewater consumed or used within such Municipal Air Terminals. Upon installation, such meters shall become part of the Retained Water System Property. The Port Authority shall provide DEP and its duly designated officials, employees and contractors with full cooperation and access to complete the installation, and the City and its duly designated officials and contractors shall have the right at all reasonable times and on reasonable notice to enter upon the Demised Premises with personnel, equipment, trucks and vehicles for the purpose of making inspections, repairs, installations and replacements of such meters as shall be necessary in the opinion of the City. The Port Authority shall pay directly to the New York City Water Board, when due and owing, any and all water and wastewater bills issued by the DEP on behalf of the Water Board at rates annually established by the Water Board for any and all water and wastewater services provided to the Demised Premises. Charges payable for water and wastewater services to the Demised Premises shall be Additional Rent hereunder and shall be at rates and under same terms and conditions that would apply to any other customer of the New York City water and wastewater system. The provisions of this **Subsection 13.2** shall survive the expiration or sooner termination of this Agreement.

Section 14. Insurance

14.1 Definitions.

14.1.1 **"City Insureds"** as used in this **Section 14** means, for any type of insurance required hereunder, the City, the City's officials and employees (but only if the Port Authority's officials and employees are likewise insured), and EDC.

14.1.2 **"Losses"** as used in this **Section 14** means any costs, charges, expenses incurred in the defense, investigation or adjustment of any claims (including without limitation fees and disbursements of consultants, counsel or experts), losses, payments, damages (including without limitation any actual, consequential, or, where allowable by law, punitive or exemplary damages), civil fines or penalties, judgments, and amounts paid in settlement.

14.1.3 **"Maximum Available Limit"** as used in this **Section 14** shall mean, for any type of insurance required hereunder, the limit (or sublimit) that is commercially available to the Port Authority at the renewal, termination, or cancellation date of such type of insurance during the Term at any time after the Execution Date. In the event that the Port Authority believes that insurance that is commercially available to it does not provide protection for the risk at issue, the Port Authority may seek the City's consent, which shall not be unreasonably withheld, to an alternative method for it to protect against that risk.

14.1.4 **"Pollution Conditions"** as used in this **Section 14** means the discharge, dispersal, migration, release or escape of any Hazardous Materials into or upon land, or any structure on land, subsurface, soils, sediments, the atmosphere or any watercourse or body of water, including groundwater, whether caused by a third party (including without limitation remediation contractors or consultants), an act of war or Terrorism or otherwise, in each case, on, at, under, or migrating to or from, the Municipal Air Terminals.

14.1.5 **"Terrorism"** as used in this **Section 14** shall mean any violent act or an act that is dangerous to human life, property or infrastructure and is committed by any individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States by coercion.

14.2 Property Insurance.

14.2.1 The Port Authority shall, at all times throughout the Term, provide and keep in force comprehensive "All Risk" of direct physical loss or damage, insurance covering the Improvements, including, without limitation, coverage for loss or damage by acts of Terrorism, water, flood, subsidence and earthquake (excluding, at the Port Authority's option, from such coverage normal settling only) and, when and to the extent obtainable from the United States government or any agency thereof, war risks for all buildings, structures, equipment and fixtures in or upon the Demised Premises used in connection with the operation of the Municipal Air Terminals at the Maximum Available Limits. Such insurance, which shall cover the interests of both the City Insureds and the Port Authority in such property, shall be valued at full replacement cost, with the replacement value of the Improvements to be determined from time to time, but not less frequently than required by the insurer and in any event at least once every three (3) years, it being agreed that no omission on the part of the City Insureds to request any

such determination shall relieve the Port Authority of its obligation to determine and insure the replacement value thereof (in the absence of such valuation, the FM (Factory Mutual) or MIRI (Industrial Risk Insurers) indices will be applied); and shall include the following types of coverage:

(a) Automatic Coverage;

(b) Building Ordinance Coverage;

(c) Business Income including Extra Expense and Rents ("**Rent Insurance**") on an Actual Loss Sustained basis;

(d) Civil & Military Authority;

(e) Debris Removal;

(f) Decontamination Costs;

(g) Demolition and Increased Cost of Construction;

(h) Earth Movement;

(i) Extended Period of Liability;

(j) Extra Expense;

(k) Adjustment and Claim Expense;

(l) Flood;

(m) Ingress/Egress;

(n) On Premises Services;

(o) Property Damage;

(p) Service Interruption Property Damage;

(q) Service Interruption Time Element;

(r) Soft Costs;

(s) Terrorism;

(t) Contingent Business Interruption (one year from restoration); and

(u) Time Element Interdependency.

14.2.2 The Port Authority shall, at all times throughout the Term, provide and keep in force boiler and machinery insurance in an amount as may be reasonably agreed upon with the City every three (3) years (insofar as practicable) covering direct property loss and loss of income and covering all steam, mechanical and electrical equipment, including without limitation, all boilers, unfired pressure vessels, air conditioning equipment, elevators, piping and wiring.

14.2.3 The Port Authority shall, at all times throughout the Term, provide and keep in force sprinkler leakage insurance in amounts as may be reasonably agreed upon with the City (the foregoing to be required only if same is excluded from the insurance required to be provided and kept in force pursuant to **Subsection 14.2.1** above).

14.3 Liability Insurance.

14.3.1 The Port Authority shall, at all times throughout the Term, provide and keep in force (x) Airport Liability Insurance and (y) commercial general liability insurance and/or public liability insurance at the Maximum Available Limits covering the premises operations of the Port Authority for the Demised Premises, including the operation of mobile equipment, against liability for bodily injury, death and property damage, including the Demised Premises and all streets, alleys and sidewalks adjoining or appurtenant to the Demised Premises. The City Insureds shall be listed as an additional named insureds on the Airport Liability Insurance policies and as Additional Insureds (with coverage no narrower than that provided under ISO endorsement CG 20 26 11 85) on the commercial general liability and/or public liability policies. Such insurance shall include the following protection:

(a) broad form liability, including (A) blanket contractual liability (covering the indemnification provisions assumed by the Port Authority hereunder, including bodily injury to employees or others assumed by the Port Authority under contract, which insurance shall cover all costs, expenses and/or liability (including, without limitation, attorneys' fees and disbursements) arising out of or based upon any and all claims, accidents, injuries and damages mentioned in **Section 31** of this Agreement and required to be insured against hereunder), (B) personal injury and advertising injury liability, (C) premises medical payments, (D) host liquor liability, (E) fire legal liability on real property, (F) broad form property damage liability, including completed operations, (G) incidental medical malpractice, (H) non-owned watercraft liability, (I) limited world-wide coverage, (J) additional interests insured, (K) extended bodily injury coverage, and (L) automatic coverage on newly-acquired entities;

(b) products and completed operations;

(c) independent contractors;

(d) blanket automatic contractual liability to include bodily injury to employees of others assumed by the Port Authority; and

(e) water damage legal liability shall not be excluded;

(f) endorsement acknowledging aviation facility operations on the Demised Premises;

(g) Terrorism coverage;

(h) XCU coverage; and

(i) no coverage exceptions for properties containing or adjacent to railroad facilities.

Notwithstanding the foregoing, the commercial general liability insurance required by this **Subsection 14.3.1** shall not be required to provide one or more of the following protections in the event such protection, at the time of insurance placement, cannot be procured from the issuing insurance company: host liquor liability, incidental medical malpractice and/or XCU coverage and other risks insofar as reasonably agreed to by the City as being not present at the Air Terminals or procured and maintained by a Subtenant (with the City Insureds as additional insureds thereunder).

14.3.2 The Port Authority shall, at all times throughout the Term, provide and keep in force comprehensive automobile liability insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount as may from time to time be reasonably determined by the City but not less than $2,000,000 (Two Million Dollars) per claim.

14.4 Pollution Insurance. The Port Authority shall, at all times throughout the Term, provide and keep in force at the Maximum Available Limit pollution legal liability coverage for the Port Authority as first named insured and the City Insureds as additional named insureds, including coverage of Losses arising from (1) investigation, removal, clean-up costs, remediation, monitoring or response action, to the extent required by Environmental Laws and any repair, replacement or restoration of real or personal property to substantially the same condition it was in prior to any of the forgoing activities; (2) orders, decrees, directives, injunctions or judgments by any Governmental Authority; (3) third party claims for bodily injury (including, without limitation, medical monitoring) and property damage (including, without limitation, natural resource damages); and (4) business interruption; in each case, to the extent such Losses relate to Pollution Conditions resulting from, or exacerbated by, facts, events or conditions first existing on or after the date hereof. Notwithstanding **Subsection 14.1.3**, such insurance policy (or policies) shall be in force at the Execution Date as well as the renewal, termination, and cancellation dates of such policies throughout the Term.

14.5 Workers' Compensation Insurance. The Port Authority shall, at all times throughout the Term, provide and keep in force workers' compensation coverage providing statutory New York State benefits for all persons employed by the Port Authority at or in connection with the Demised Premises and employer's liability insurance in an amount not less than that required by New York State law.

14.6 Other Insurance. The Port Authority shall provide and keep in force such other insurance in such amounts as may from time to time be reasonably required by the City or mutually agreed upon against such other insurable hazards as at the time are commonly insured against by prudent owners of like Improvements.

14.7 Insurance Policy Requirements.

14.7.1 All insurance provided by the Port Authority as required hereunder shall name the Port Authority as named insured and the City Insureds as additional named insureds, additional insureds, and loss payees to the extent, where applicable, of their respective insurable interests in the Demised Premises and shall be primary with respect to any other coverage which the City Insureds may obtain.

14.7.2 All insurance required by any provision of this Agreement shall be in such form and shall be issued by such responsible companies (i) rated by AM Best as at least A-(VII), (or comparable rating by Standard & Poors or other industry-recognized rating agency) unless the Port Authority obtains the prior written approval of the City with regard to a particular policy or coverage, (ii) authorized to do business in the State of New York and (iii) otherwise reasonably acceptable to the City.

14.7.3 Each policy of insurance required to be obtained by the Port Authority as herein provided shall contain to the extent obtainable and whether or not an additional premium shall be required in connection therewith (i) a provision that no act or omission or negligence of the Port Authority or any other named insured or violation of warranties, declarations or conditions by the Port Authority or any other named insured shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (ii) an agreement by the insurer that such policy shall not be cancelled or modified without at least thirty (30) days prior written notice to the City Insureds, (iii) an agreement that the coverage afforded by the insurance policy shall not be affected by the performance of any work in or about the Improvements or the occupation or use of the Demised Premises by the Port Authority or any Subtenant for purposes more hazardous than those permitted by the terms of such policy, (iv) a waiver by the insurer of any claim for insurance premiums against the City Insureds or any named insured other than the Port Authority, and (v) a waiver of subrogation by the insurer of any right to recover the amount of any loss resulting from the negligence of the Port Authority, the City Insureds, their agents, employees or licensees.

14.8 Premiums; Evidence of Insurance. All policies referred to in this Agreement shall be procured by the Port Authority at no expense to the City Insureds. Duplicate originals of such policies or, to the extent that such duplicate originals cannot be obtained, certificates of insurance with respect to such policies together with copies of such policies shall be delivered to the City promptly upon receipt from the insurance company or companies, together with proof satisfactory to the City that the then current installment of the premiums thereon have been paid; provided, that the City shall not, by reason of custody of such policies, be deemed to have knowledge of the contents thereof and no claim will be asserted or prosecuted that such custody or access, or action or inaction by the City with knowledge thereof or of information obtained under **Subsections 14.9, 14.17** or otherwise, is a waiver of any rights of the City hereunder or a defense to any default or obligation of cooperation. New or renewal binders and policies, or drafts thereof, to provide coverages or replace policies expiring during the Term, or duplicate originals thereof or certificates of insurance with respect thereto, together with copies of such policies (where available), shall be delivered as aforesaid within ten (10) days of the Port Authority's receipt, together with proof satisfactory to the City that the then current installment of the premiums thereon have been paid by the date required by the insurance company. Premiums on policies shall not be financed in any manner whereby the lender, on default or otherwise, shall have the right or privilege of surrendering or canceling the policies or reducing the amount of loss payable thereunder, unless agreed to by the City; provided, however, that premiums may be paid in installments.

14.9 Cooperation. The Port Authority and the City shall cooperate in connection with the placement of insurance coverages required hereunder and in the collection of any insurance moneys that may be due in the event of loss. The Port Authority and the City shall execute and deliver such proofs of loss and other instruments as may be required for the purpose of obtaining the recovery of any such insurance moneys. When submitting a notice to an insurer regarding an occurrence, loss or claim under any policy, the Port Authority shall specify, to the extent necessary under such policy, that such notice is being made on behalf of the City as well as itself, and shall thereafter provide the City, upon demand, with any response or other correspondence received by it from the insurer regarding such notice, occurrence, loss or claim.

14.10 Additional Policies of Personal Liability Insurance. The Port Authority shall not carry separate insurance (other than personal injury liability insurance) concurrent in form or contributing in the event of loss with that required by this Agreement to be furnished by the Port Authority, unless the City Insureds are included therein as additional named insureds. The Port Authority promptly shall notify the City of the carrying of any such separate insurance and shall cause the policies therefor or duplicate originals thereof or certificates of insurance with respect thereto together with copies of such policies to be delivered as required in this Agreement.

14.11 Adjustments for Claims. All property insurance policies as required by this Agreement shall provide in substance that all adjustments for claims with the insurers shall be made with the Port Authority. Notwithstanding the foregoing, the Port Authority (y) shall consult with the City during the process of such adjustment and provide the City with all relevant documentation upon demand and, (z) in the event that the Port Authority also has a pending claim relating to property outside the Demised Premises in excess of Ten Million Dollars ($10,000,000), shall give the City notice thereof and adjust such claim completely independently of and without prejudice to the adjustment of the claim relating to the Demised Premises.

14.12 Compliance with Requirements of Insurance Carriers. The Port Authority shall not violate or permit to be violated any of the conditions or provisions of any insurance policy required hereunder, and the Port Authority shall so perform and satisfy or cause to be performed and satisfied the requirements of the companies writing such policies so that at all times companies of good standing, reasonably satisfactory to the City, shall be willing to write and continue such insurance.

14.13 Liability Insurance on an "Occurrence" Basis. All liability insurance required to be provided and kept in force by the Port Authority under this Agreement shall be written on an "Occurrence" basis; provided, however, that if (i) a basis other than such "Occurrence" basis shall be adopted throughout the insurance industry and (ii) such other basis shall be accepted by the operators of competitive air terminals, then the Port Authority may provide and keep in force liability insurance written on such other basis reasonably satisfactory to the City.

14.14 Blanket Policy. The insurance required to be obtained by the Port Authority under this Agreement, at the option of the Port Authority, may be effected by blanket or umbrella policies issued to the Port Authority covering the Demised Premises and other properties owned or leased by the Port Authority; provided that the policies otherwise comply with the provisions of this Agreement and specifically allocate to the Demised Premises the coverages required hereby, without possibility of reduction or coinsurance by reason of any other premises named therein, and if the insurance required by this Agreement shall be effected by any such blanket or umbrella policies, the Port Authority shall furnish to the City certified copies or duplicate originals of such policies in place of the originals, with schedules thereto attached showing the amount of insurance afforded by such policies applicable to the Demised Premises, and in addition, within ten (10) days after the Port Authority's receipt thereof, copies of the schedule of all Improvements affected by any such blanket or umbrella policy of insurance.

14.15 Property Insurance Proceeds. All proceeds from Property Insurance ("**Insurance Proceeds**") shall be applied, in the first instance, to satisfy the Port Authority's obligation to pay Rent under this Agreement (if not otherwise satisfied by the Port Authority) in an amount equal

to not less than three (3) years of current Base Rent, and shall otherwise be applied to Restore the Improvements in accordance with **Subsection 14.22**.

14.16 Failure to Procure or Maintain Required Insurance. If the Port Authority fails or refuses to procure or maintain insurance as required by this Agreement (including, but not limited to, the Maximum Available Limit of such insurance) or fails upon request or refuses to furnish the City Insureds with required proof that the insurance has been procured and is in force and paid for, the City shall have the right, at the City's election and on ten (10) days notice, consistent with **Section 26.1**, to procure and maintain such insurance, and pay premiums thereon, without further notice to the Port Authority. In such event, the rights and obligations of **Section 26.2** shall govern.

14.17 Consultations with the City. Three months in advance of the end of the policy period of any insurance policy procured in accordance with this **Section 14** (or immediately upon receipt of a notice of cancellation of any such policy), the Port Authority shall notify the City of such event and enter into prompt discussions with the City concerning the placement of such insurance. As soon thereafter as feasible, the Port Authority shall inform the City of the availability and price of such type of insurance and, specifically, the Port Authority's opinion of the Maximum Available Limit(s) and the commercial necessity of any material exclusions or limitations of such type of insurance. The Port Authority shall also provide the City with all such information as the City may request concerning the Port Authority's efforts to secure such insurance, including, without limitation, all presentations to the Port Authority by its placing broker(s) and all recommendations and instructions given to such broker(s).

14.18 Self-Insurance. The Port Authority may self-insure a portion of its insurance obligations hereunder, but, in no event, shall the Port Authority self-insure an aggregate amount (not including any amounts exceeding the limits required hereunder) in excess of Fifty Million Dollars ($50,000,000) for all such lines of coverage combined (plus, in the event the Port Authority self-insures a portion of its insurance obligations pursuant to **Subsection 14.4**, an additional amount applicable to such obligations not to exceed Fifty Million Dollars ($50,000,000)), unless the Port Authority receives the City's advance written approval of some higher amount. Such self-insurance shall in no way limit or diminish the rights that the City Insureds, would have had under the insurance required hereunder (e.g., as additional named insureds, additional insureds or loss payees), or the rights they have under the insurance provided pursuant hereto. Further, this **Subsection 14.18** shall in no way limit or diminish the waiver of subrogation rights and obligations as required under this Agreement or the rights of the City Insureds' insurance carriers would have had under "other insurance" or similar clauses in the City Insureds' insurance policies if the Port Authority had not satisfied its insurance requirements with said self insurance. By the Port Authority self insuring any part of its insurance obligations pursuant to this **Subsection 14.18**, the Port Authority will defend, indemnify and hold harmless the City Insureds from all claims, suits or actions of every name, kind and description, brought forth, or on account of, injuries to or death of any person or damage to property to the extent, where applicable, of its insurable interest in the Demised Premises and shall be primary with respect to any other coverage which the City Insureds may obtain.

14.19 The City's Rights under Insurance Purchased by Third Parties. In all circumstances relating to improvements or operations at the Demised Premises where a third party (including, without limitation, Subtenants, contractors, or subcontractors of the Port Authority) is obligated to name the Port Authority as additional named insured, additional insured and/or loss payee under any insurance policy, the Port Authority shall, for all such policies, (a) obligate such third person to likewise name the City Insureds as additional named insureds, additional insureds or loss payees, (b) take all reasonable measures to assure that the City Insureds are named accordingly, (c) provide the City upon demand with access to all Certificates of Insurance evidencing such insurance (including the City Insureds' coverage thereunder), (d) when it submits any notice to an insurer regarding an occurrence, loss or claim under such policy, specify, to the extent necessary under such policy, that such notice is being made on behalf of the City as well as the Port Authority, and (e) provide the City, upon demand, with any response or other correspondence received by it from the insurer regarding such notice, occurrence, loss or claim.

14.20 Minimum Levels of Insurance Purchased by Certain Third Parties. The Port Authority shall obligate each of its contractors (and any such contractor's subcontractors) that operate, maintain or service any fuel tanks or fuel distribution systems on the Demised Premises to provide contractor's pollution liability insurance protecting itself, the Port Authority and the City Insureds at the Maximum Available Limit but, in any event, in an amount no lower than One Hundred Million Dollars ($100,000,000).

14.21 Relationship between Insurance and Indemnification. The obligations of the Port Authority under **Section 31** shall not be affected in any way by the absence in any case of covering insurance (whether or not required under this **Section 14**) or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Demised Premises.

14.22 Use of Insurance Proceeds; Duty to Restore Damaged Improvements and Pay Rent; and Related Issues.

14.22.1 If all or any part of any of the Improvements, the value of which shall exceed $1,000,000, shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, the Port Authority shall give to the City immediate written notice thereof stating the nature of the casualty, what was destroyed or damaged and the estimated loss, and what insurance or self-insurance coverage may be available to cover the loss. Whether or not such damage or destruction shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the purpose, the Port Authority shall, with reasonable diligence (subject to Unavoidable Delays), repair, alter, restore, replace and rebuild the same, at least to the extent of the value and as nearly as possible to the condition, quality and class of such Improvements existing immediately prior to such occurrence, with such changes or alterations as the Port Authority shall elect to make, or make other capital improvements to the Municipal Air Terminals (collectively, "**Restore**"); provided that, such changes, alterations, or other capital improvements comply with the Port Authority's obligation to maintain and operate the Municipal Air Terminals in accordance with **Section 28** of this Agreement, and provided further that, in the event the Port Authority wishes to make other

capital improvements to the Municipal Air Terminals, it shall notify the City of its intention to do so notwithstanding the threshold for such notice provided in **Subsection 17.2**, and in any event the Port Authority will, (x) within five (5) years of the casualty in question, obtain such authorization from the Port Authority Board of Commissioners (or other requisite authorization) as may be necessary to reinvest in the Municipal Air Terminals an amount (not counting for this purpose any amounts reflected in the Port Authority's capital budgets adopted prior to the date of the casualty in question) which is not less than the Insurance Proceeds together with interest at the Interest Rate accruing from the date of the casualty, and (y) commence construction of such improvement within two (2) years of the date of such authorization, and if the Port Authority fails to obtain such authorization or commence such construction within such time periods, the Port Authority shall pay to the City an amount equal to the Insurance Proceeds not so reinvested together with interest at the Late Rate accruing from the date of the casualty. In addition, the Port Authority shall, upon request, account to the City for all amounts spent in connection with any Restoration undertaken in connection with destruction or damage exceeding $1,000,000 and the use of Insurance Proceeds received in connection therewith. The City in no event shall be obligated to Restore the Improvements or any portion thereof or to pay any of the costs or expenses thereof.

14.22.2 In any case where this Agreement shall expire or be terminated for any reason prior to the completion of Restoration, (y) the City may, but shall not be required to, complete such Restoration at the Port Authority's expense, and (z) the Port Authority shall account to the City for all amounts spent in connection with any Restoration which was undertaken and shall pay over to the City, within ten (10) days after demand, the remainder, if any, of the Insurance Proceeds previously received by it or if any portion of Insurance Proceeds were not received, assign to the City the right to receive the same and the City shall be subrogated to the rights of the Port Authority under the insurances maintained pursuant to this Agreement.

14.22.3 In the event Insurance Proceeds received by the Port Authority pursuant to **Subsection 14.15** shall be insufficient to Restore the Improvements pursuant to **Subsection 14.22.1** , then the Port Authority shall Restore such Improvements, at its sole cost and expense. In the event Insurance Proceeds covering the Restoration of any Improvements exceeds the cost of such Restoration, the Port Authority shall use such excess Insurance Proceeds for the purpose of the making of other capital improvements to the Municipal Air Terminals.

14.22.4 This Agreement shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of the Base Rent payable hereunder, by reason of damage to or total, substantial or partial destruction of the Improvements or any part thereof or by reason of the untenantability of the same or any part thereof, for or due to any reason or cause whatsoever, and the Port Authority, notwithstanding any law or statute present or future, waives any and all rights to quit or surrender the Demised Premises or any part thereof. The Port Authority's obligations hereunder, including, without limitation, the payment of Base Rent, shall continue as though such Improvements had not been so damaged or destroyed and without abatement, suspension, diminution or reduction of any kind. It is the intention of the City and the Port Authority that the foregoing is an "express agreement to the contrary" as provided in Section 227 of the Real Property Law of the State of New York.

14.23 The Port Authority's obligations under **Subsections 14.9, 14.11, 14.15, 14.21,** and **14.22** shall survive the expiration or termination of this Agreement.

Section 15. Airport Board

15.1 Creation of Airport Board. In accordance with that certain Airport Board Agreement (the "**Airport Board Agreement**") dated of even date herewith between the City and the Port Authority, the form of which is annexed hereto as **Appendix A**, the parties shall create an Airport Board (the "**Airport Board**") to review, on a quarterly basis, the operations and performance of the Municipal Air Terminals. The Airport Board shall consist of an equal number of representatives from the Port Authority and the City. The Port Authority's representatives shall include its Chief Operating Officer and Director of Aviation and the General Managers of the Municipal Air Terminals or their respective successors in duties. The City representatives shall be appointed by the Mayor.

15.2 Funding. Commencing with 2002 and each Year during the Term, the Port Authority shall pay directly to EDC (or a City agency to be designated by the City) an amount equal to $100,000 per Year and increasing by 3% annually for each Year following, for the purpose of funding Municipal Air Terminal liaison functions and, upon receipt of each such payment by EDC, the Port Authority shall receive a credit equal to the amount of each such payment to be applied against the next installment of Base Rent due and payable pursuant to **Section 4** of this Agreement. By December 31, 2004, the Port Authority shall pay to EDC the sum of Three Hundred Nine Thousand and Ninety Dollars ($309,090) representing amounts due and payable by the Port Authority pursuant to this Section 15.2 for Years 2002, 2003 and 2004, and, accordingly, the Port Authority shall receive a credit equal to the amount of such payment to be applied to the next installment of Base Rent.

15.3 Performance Standards. The Airport Board may review Municipal Air Terminal operations against certain financial, operational, and performance standards (the "**Performance Standards**") established by the City and the Port Authority, which Performance Standards are set forth in **Appendix A** and may be updated or revised in writing, from time to time, by the Port Authority and the City.

15.4 Consultants. The City and the Port Authority shall have the right to retain independent consultants to review and report on the operations and performance of the Municipal Air Terminals. The Port Authority and the City shall each fund an equal amount of up to $250,000 annually to pay for such consultants' services; provided, however, that at the City's direction, the City's share of such funding shall be deducted from Base Rent and paid by the Port Authority to the independent consultants or EDC, as applicable.

15.5 Quarterly Reports. The Port Authority shall transmit a report quarterly to the Airport Board, for its information, on achievement of the Performance Standards, which quarterly reports shall comply, in all respects, with the requirements prescribed in the Airport Board Agreement.

15.6 Actions not Binding. No action or omission of the Airport Board shall affect the rights or obligations of the City or the Port Authority under this Agreement. This provision shall survive expiration or earlier termination of this Agreement.

Section 16. Intentionally Deleted

Section 17. Physical Changes

17.1 Subject to the terms of this Agreement, the Port Authority shall have the right to alter, change, remove, relocate or demolish any Improvement on the Demised Premises, to place fill upon or excavate the Demised Premises, to erect Improvements thereon or therein, and to make other physical changes thereon or therein, provided, however, that such right shall not limit or modify any rights of the City or obligations of the Port Authority contained in this Agreement, including the Port Authority's obligation to use, operate, maintain and develop the Demised Premises as a "first class" airport and in accordance with the Performance Standards and the other terms and conditions of this Agreement.

17.2 The Port Authority shall notify the City of its or any Subtenant's intention to undertake any capital improvement the cost of which is in excess of $50,000,000 (which amount shall be increased in proportion to the increase, if any, in the Consumer Price Index for the month in which the Execution Date falls) prior to commencing such Improvements and shall, upon request of the City, deliver to the City (or to the Person or agency designated, from time to time, by the City) true, accurate and complete copies of the "as built" plans for all alterations to existing Improvements and construction of new Improvements on the Demised Premises, in each case, promptly after the completion thereof.

17.3 The Port Authority shall deliver to the City (or to the Person or agency designated in writing, from time to time, by the City), for information purposes only, (i) a true, accurate and complete copy of its Five Year Capital plan within ninety (90) days after the commencement of each fiscal year of the Port Authority and (ii) any capital planning documents pertaining to future capital projects planned for either of the Municipal Air Terminals.

Section 18. Policy in Regard to City Ordinances and Regulations; City Services and Franchises

18.1 In the use, operation, maintenance and future development and expansion of the Municipal Air Terminals, the Port Authority will as a matter of policy, conform to the enactments, ordinances, resolutions and regulations of the City and its various departments, boards and bureaus, in regard to the construction and maintenance of all Improvements, and in regard to life safety, health and fire protection, which would be applicable if the Port Authority were a private corporation, to the extent that the Port Authority finds it practicable so to do, without interfering with, impairing or affecting the efficiency and economy of its Air Terminal operations, or its ability to operate the Municipal Air Terminals upon a self-supporting basis, or its obligations, duties and responsibility to the two states, its bondholders and the general public, but the decision of the Port Authority as to whether it is practicable so to do shall be controlling, subject to its obligation to comply with all of the provisions of this Agreement, including without limitation, **Section 28** hereof. Nothing herein is intended to modify any written agreement or

Memorandum of Understanding with, or building code of, the New York City Department of Buildings or any other City agency.

18.2 The Port Authority shall not prevent, prohibit or inhibit (but may direct or otherwise control) public transportation or taxi services in, to or around the Demised Premises.

Section 19. Additional Lands and Interests Therein

19.1 Upon the Port Authority's, or Affiliate of or party acting on behalf of the Port Authority's, acquisition of any lands and improvements thereon or rights, easements or interests therein for use for Municipal Air Terminal Purposes other than temporary use for construction staging, access or egress during construction or other similar activity, including but not limited to lands or improvements acquired for the purpose of providing additional rail access to the Demised Premises or for use in maintaining airplane beacons, guides or other aids to navigation, the same shall be deemed part of the Demised Premises and subject to this Agreement, subject to compliance with or approval under all applicable laws, rules and regulations which may affect such conveyance and incorporation. The City will use good faith efforts to and the Port Authority will, at the Port Authority's expense, cooperate in expeditiously taking such actions and executing such documents as may be reasonably necessary and appropriate to effectuate the conveyance of the same to the City without consideration and the incorporation of the same into the Demised Premises. The City and the Port Authority acknowledge and agree that New York City Planning Commission Resolution # C 990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 authorize real property dispositions and acquisitions by the City to facilitate the Light Rail System to improve access to John F. Kennedy International Airport and to incorporate the Light Rail System into the Demised Premises.

19.2 The Port Authority hereby represents to the City that, as of the Execution Date, the Port Authority has conveyed to the City all of the property and rights heretofore acquired or used by the Port Authority for Municipal Air Terminal Purposes, including but not limited to the Light Rail System, except for certain improvements and property relating to the Light Rail System within Lots 11 and 17, Block 9989, Borough of Queens and certain easements as identified in "Agreement between the New York State Department of Transportation and the Port Authority of New York and New Jersey Regarding Design, Construction, the Transfer of Easements and Maintenance Responsibilities in Connection with Section "B" Stages II, III and IV of the Nassau Expressway" dated as of the 29th day of June, 1987 and recorded at Reel 2419, Page 0613 et. seq. in the Office of the City Register, County of Queens. The Port Authority shall acquire all of the improvements and property for the Light Rail System and to convey same to the City pursuant to this **Section 19** within one hundred and twenty (120) days following the Execution Date. Notwithstanding the foregoing, in the event the Port Authority has been unable to acquire the entirety of the Light Rail System within such one hundred and twenty (120) day period, the Port Authority shall immediately transfer such portions of the Light Rail System as have been acquired by or behalf of the Port Authority to the City upon the City's written demand for such transfer. The transfer of any portion of the Light Right System shall not relieve or be construed as relieving the Port Authority of its obligation to acquire and transfer the remainder of the Light Rail System. Notwithstanding the foregoing, the City hereby acknowledges and agrees that (a) the fee interest acquired by the Port Authority in Block 9989, Lot 60, Borough of Queens, and (b) the portions of Block 9989, Lots 11, 17 and 70, Borough of Queens owned or to

be owned by the Long Island Railroad and/or the Metropolitan Transportation Authority, pursuant to a Memorandum of Understanding between the Metropolitan Transportation Authority, the New York City Transit Authority, the Long Island Rail Road and the Port Authority regarding the JFK Light Rail System, Howard Beach Station and Jamaica Terminal Complex dated as of December 19, 2000, shall not be required to be conveyed to the City and shall not be part of the Demised Premises unless such portions are used for Air Terminal Purposes. All of the Port Authority's remaining interest in Block 9989 Lots 11, 17 and 70, including any development rights associated with such parcel, shall be part of the Demised Premises. The Port Authority shall convey to the City all of its right, title and interest in the easement recorded at Reel 2419, Page 0613 et seq., within thirty (30) days of the Execution Date, which interest shall thereafter be incorporated into the Demised Premises as provided in **Section 19.1** hereof.

19.3 The Port Authority shall at all times maintain, repair, restore and otherwise ensure that the LaGuardia Access Bridges and Roadways remain in a good, safe and proper working condition. Without limiting the Port Authority's obligations set forth in the first sentence of this **Section 19.3**, the City and the Port Authority agree that they will cooperate to determine the ownership of the LaGuardia Access Bridges and Roadways and: (i) in the event it is determined that they are owned by the City, the City, subject to applicable law, will expeditiously commence an application at the City's expense to permit their disposition to the Port Authority as part of the Demised Premises and lease same to the Port Authority as part of the Demised Premises pursuant to the terms of this Agreement; (ii) in the event that it is determined that they are owned by the Port Authority, the Port Authority will, at the Port Authority's expense, expeditiously take such actions and execute such documents as may be reasonably necessary and appropriate to effectuate the conveyance of the same to the City without consideration, and upon such conveyance from the Port Authority the City, subject to applicable law, shall concurrently incorporate the same into the Demised Premises as provided in **Section 19.1** hereof; and (iii) in the event that it is determined that they are owned or under the control of a third party, the Port Authority and the City, subject to applicable law, equally sharing all expenses, will use their best efforts to reach agreement to obtain the consent of such third party to permit the continuation of the use and maintenance thereof by the Port Authority for access and egress to LaGuardia Airport.

19.4 The Port Authority shall acquire, at its sole cost and expense, any and all portions of the Bowery Bay Parcel not presently owned by the City, and upon such acquisition shall promptly convey same to the City, and upon such acquisition and conveyance such portions of the Bowery Bay Parcel shall be deemed part of the Demised Premises, subject to **Section 2.1.2** hereof. Regardless of ownership, use of the Bowery Bay Parcel by the Port Authority and the City shall be subject to all of the terms and conditions of this Agreement.

Section 20. The Aqueduct Parcel

20.1 The Aqueduct Parcel.

20.1.1 *The NYRA License Agreement.* The Port Authority and the New York Racing Association, Inc. ("**NYRA**") have entered into a license agreement (the "**NYRA License Agreement**") dated as of December 11, 1992, a copy of which has been provided to the City,

permitting NYRA to use the Aqueduct Parcel in accordance with the terms and conditions of the NYRA License Agreement. The City has been advised by the Port Authority that a Termination Notice dated April 8, 2004 was sent to NYRA and that the NYRA License Agreement will terminate on May 1, 2005 (the "**NYRA Surrender Date**"), at which time the Port Authority shall cause NYRA to surrender and vacate the Aqueduct Parcel. The Port Authority shall not amend, modify or renew the NYRA License Agreement, or extend the NYRA Surrender Date without the City's prior written consent.

20.1.2 The Port Authority shall use the Aqueduct Parcel solely as permitted pursuant to **Section 20.2** hereof. In the event the Port Authority has not commenced using the Aqueduct Parcel for Municipal Air Terminal Purposes prior to, and is not continuing to use the entire Aqueduct Parcel for Municipal Air Terminal Purposes as of (a) the fifth (5th) anniversary of the NYRA Surrender Date and (b) as of each succeeding five (5) year anniversary of the NYRA Surrender Date, then on the fifth (5th) anniversary of the NYRA Surrender Date (and on each succeeding five (5) year anniversary thereafter) the City may, but shall not be obligated to terminate this Agreement as it relates to the Aqueduct Parcel by giving written notice (the "**Aqueduct Termination Notice**") to the Port Authority indicating that the City desires to terminate this Agreement with respect to the Aqueduct Parcel on the date (the "**Aqueduct Termination Date**") specified in such Aqueduct Termination Notice. The Aqueduct Termination Date shall be one hundred and twenty (120) days after the date upon which the Aqueduct Termination Notice is delivered to the Port Authority in accordance with **Section 27** hereof. Upon delivery of such notice, the City and the Port Authority shall each promptly order their own separate appraisal of the Aqueduct Parcel to determine the fair market value of the Port Authority's interest in the Aqueduct Parcel as encumbered by this Agreement. In the event the City and the Port Authority are unable to reach agreement as to such fair market value within thirty (30) days following the delivery of the Aqueduct Termination Notice to the Port Authority, such value shall be determined by an independent Member of Appraisal Institute (MAI) appraiser selected by the City, and approved by the Port Authority, which approval shall not be unreasonably withheld, delayed or conditioned, who shall have at least ten (10) years experience appraising leasehold interests of property similar to the Aqueduct Parcel. In determining the fair market value of the Port Authority's interest in the Aqueduct Parcel (as encumbered by this Agreement), the independent MAI Appraiser shall choose either the appraised value indicated in the appraisal previously ordered by the City or the appraised value indicated in the appraisal previously ordered by the Port Authority, in each case, pursuant to this Section, which determination by the MAI appraiser shall be made within thirty (30) days of his/her appointment and approval and shall be binding on the parties. The Port Authority shall quit and surrender, and cause all licensees to quit and surrender, the Aqueduct Parcel on or before the Aqueduct Termination Date, and, effective as of the Aqueduct Termination Date (i) this Agreement shall terminate as it relates to the Aqueduct Parcel and the Aqueduct Easement shall be extinguished and, thereafter, the Aqueduct Parcel shall no longer be part of the Demised Premises, (ii) neither the City nor the Port Authority (provided, as to the Port Authority, that it shall have surrendered and delivered vacant possession of the Aqueduct Parcel in accordance with the provisions of this **Subsection 20.1.2**) shall thereafter have any further obligation or liability to the other with respect to the Aqueduct Parcel or the Aqueduct Easement, except for obligations and liabilities which under this Agreement expressly survive the expiration or sooner termination of this Agreement and (iii) the parties shall execute a surrender agreement in recordable form when the Aqueduct Parcel is released from the Demised Premises. The City shall pay to the Port Authority

the fair market value of the Port Authority's interest in the Aqueduct Parcel (as encumbered by this Agreement) on the later to occur of (x) the Aqueduct Termination Date and (y) the date upon which the fair market value of such interest is determined pursuant to this **Subsection 20.1.2**. For purposes of this **Section 20.1.2**, the Port Authority will be deemed to have commenced use of the Aqueduct Parcel for a use permitted under **Section 20.2** only when construction work required in connection with a project (including site preparation work) has actually begun and continues with reasonable diligence on the Aqueduct Parcel, and not because design or other planning work has begun for a project at the Aqueduct Parcel.

20.1.3 The parties hereby acknowledge that there shall be no adjustment to the Base Rent due and payable from and after the Aqueduct Termination Date as a consequence of the termination of this Agreement with respect to the Aqueduct Parcel.

20.1.4 *Notification on Commencement of Use.* The Port Authority shall notify the City with respect to commencing use of the Aqueduct Parcel or any portion thereof for the purposes set forth in **Section 20.2** hereof.

20.1.5 *No City Reimbursement.* No costs incurred by the Port Authority pursuant to obligations to be performed by the Port Authority under this **Section 20** shall be reimbursed by the City.

20.2 Limitation on Use of the Aqueduct Parcel. Except as may otherwise be consented to in writing by the City, which consent may be granted or withheld in the City's sole discretion, the Port Authority shall not use or permit the use of the Aqueduct Parcel for any purpose other than long-term and employee parking lot facilities supporting the John F. Kennedy International Airport, nor shall it construct or locate or permit to be constructed or located any Improvements on the Aqueduct Parcel other than those incidental to such parking lot use.

20.3 Termination of Agreement With Respect to a Portion of the John F. Kennedy International Airport. Notwithstanding anything to the contrary contained in this Agreement, at the request of the City, the Port Authority agrees that it will enter into good faith negotiations with the City and third parties chosen by the City regarding the release from the terms of this Agreement of a portion of the Aqueduct Parcel or other portion of the John F. Kennedy International Airport, which portion shall not exceed ten (10) acres, for use by such third parties; provided that the City shall have identified such third party and the City and the Port Authority shall have agreed on the approximate boundaries of such parcel within six (6) months after the Execution Date. In the event the parties reach agreement regarding the release of such portion of the Aqueduct Parcel or other portion of the John F. Kennedy International Airport, and upon receipt of such authorizations as the City determines in its sole discretion are required to permit the lease or fee conveyance of such portion, (i) this Agreement shall terminate as it relates to such portion of the Aqueduct Parcel or other portion of John F. Kennedy International Airport and, thereafter, such portion shall no longer be part of the Demised Premises, (ii) neither the City nor the Port Authority (provided, as to the Port Authority, that it shall have surrendered and delivered vacant possession of such portion of the Aqueduct Parcel in accordance with the provisions of this **Subsection 20.3**) shall thereafter have any further obligation or liability to the other with respect to such parcel, except for obligations and liabilities which under this Agreement expressly survive the expiration or sooner termination of this Agreement, and (iii) the

parties shall execute a surrender agreement in recordable form when such portion is released from the Demised Premises. The parties hereby acknowledge that there shall be no adjustment to the Base Rent as a consequence of the termination of this Agreement with respect to a portion of the Aqueduct Parcel pursuant to this **Subsection 20.3**. In the event that a parcel of land is released from the Demised Premises pursuant to this **Section 20.3** and such parcel of land is not located on the Aqueduct Parcel, then notwithstanding any right to terminate this Agreement as it relates to the Aqueduct Parcel under **Section 20.1.2** the Port Authority shall have the right to retain a portion of the Aqueduct Parcel contiguous to the bridge connecting the Aqueduct Parcel to the remainder of the John F. Kennedy International Airport, which shall be equal in size to the size of the parcel released hereunder and which retained portion of the Aqueduct Parcel shall remain part of the Demised Premises.

Section 21. Horizontal Surfaces, Conical Surfaces, Primary Surfaces, Approach Surfaces, Transitional Surfaces and Runway Protection Zones; Avigational Easement Areas; JFK Northern Off-Airport Parcels; Off-Airport Properties-Height and Use Restrictions

21.1 During the term for which the Demised Premises are leased, the City shall not erect or authorize the erection of any obstructions or hazards to air navigation to the extent prohibited by law or by rule or regulation of the FAA, (x) upon or above City streets or other property belonging to the City which will project into the Horizontal Surfaces, Conical Surfaces, Primary Surfaces, Approach Surfaces or Transitional Surfaces or (y) within the boundaries of the Runway Protection Zones, as such may exist from time to time. If it becomes necessary or desirable to remove in whole or in part any such obstructions or hazards existing as of the Execution Date upon City-owned property and projecting into the Horizontal Surfaces, Conical Surfaces, Primary Surfaces, Approach Surfaces, Transitional Surfaces or Runway Protection Zones of such runways as they exist as of the Execution Date or as they may exist in the future, such removal shall be done only with the consent of the City and at the cost of the Port Authority.

21.2 Avigational Easement Areas.

21.2.1 The Port Authority shall have the right at all times throughout the Term to enter upon the LaGuardia Avigational Easement Areas, the JFK International Avigational Easement Areas and the Public Place Easement Area for the purpose of installing, replacing, repairing and maintaining such lighting, beacons, and similar aids to avigation and facilities incidental thereto, as may be determined by the Port Authority to be necessary or desirable for the safe and proper operation of the Demised Premises for Airport Purposes and shall have the right to cross over City streets in the vicinity thereof. For purposes of this Agreement, such avigational equipment shall be deemed Equipment. The rights and restrictions contained in this **Section 21.2.1** shall be subject and subordinate in all respects to the use by the City or the State of the portions of the JFK Avigational Easement Areas identified as the "Nassau Expressway Right of Way" on Sheet JFK-2 and more particularly described in **Exhibit B-4** attached hereto and made a part hereof for street or highway purposes.

21.2.2 The City shall not develop or use the JFK Avigational Easement Areas nor exercise any right with respect thereto so as to interfere with, impair or obstruct the safe and

efficient operation and development of the John F. Kennedy International Airport or the normal flight operations of aircraft, shall not erect or install any structure, building, tower, pole, wire or other object or installation or portion thereof, the construction, maintenance or operation of which would constitute a hazard to avigation without the prior approval of the Port Authority and shall not place fill in or upon the JFK Avigational Easements or place any structures thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, *provided,* that no such approvals shall be unreasonably withheld, conditioned or delayed. The City may, without the express written consent of the Port Authority provide, operate, maintain and permit the operation and maintenance of:

(a) recreational facilities suitable for use for picnicking, boating, baseball, softball, court games, tennis and playground activities;

(b) facilities for the parking of motor vehicles of persons using the aforesaid recreational facilities; and

(c) such restaurant and/or "snack bar" facilities as are usually provided for the accommodation and convenience of persons using such recreational facilities as are above described.

The City shall take all reasonably practicable precautions to prevent its agents, employees, licensees, contractors and invitees from intruding upon, interfering with or damaging any property upon the said premises installed, operated and maintained by or on behalf of the Port Authority or the Federal Aeronautics Administration.

21.2.3 The City shall use the LaGuardia Avigational Easement Areas for park purposes and for no other purpose whatsoever and shall not develop or use the LaGuardia Avigational Easement Areas so as to interfere with, impair or obstruct the safe and efficient operation and development of LaGuardia Airport or the safe and unrestricted passage of aircraft in and over the same. The City shall not erect, install or maintain any structure, building, tower, pole, wire or other object within the LaGuardia Avigational Easement Areas the construction, maintenance or operation of which would constitute a hazard to avigation in the reasonable opinion of the Port Authority nor place fill in or upon the LaGuardia Avigational Easement Areas or place any structures or buildings thereon except in accordance with plans approved by the Chief Engineer of the Port Authority, which approval shall not be unreasonably withheld, conditioned or delayed. The City shall take all reasonably practical steps to prevent its agents, employees, licensees, contractors, and invitees from intruding upon, interfering with or damaging Equipment installed, operated or managed by or on behalf of the Port Authority or the FAA on the LaGuardia Avigational Easement Areas.

21.3 JFK Northern Off-Airport Parcels.

21.3.1 The City has advised the Port Authority that the JFK Northern Off-Airport Parcels may require the use of on-airport roadways including Eastern Road for ingress and egress and has requested the Port Authority to grant to the City and each subsequent owner or occupant thereof the right to use such roadways located on John F. Kennedy International Airport for access and egress thereto and therefrom. The Port Authority hereby grants to the

City and each subsequent owner or occupant of any portion of the JFK Northern Off-Airport Parcels such right of access and egress; provided that any instrument executed by the City conveying or leasing all or any portion of the JFK Northern Off-Airport Parcels shall expressly impose on-airport roadway use pro-rata payment covenants that shall be effective until the earlier to occur of (i) the expiration or earlier termination of this Agreement and (ii) the date upon which the City or subsequent owner or occupant, as the case may be, ceases use of the roadway; and provided further that any owner or occupant of any portion of said JFK Northern Off-Airport Parcels pays to the Port Authority its pro rata share, based on the overall use of on-airport roadways by Subtenants of the Port Authority, of the costs of maintaining the on-airport roadways (provided that such charges are comparable to charges paid by other users of the on-airport roadways who are Subtenants and payable in the same manner as for any other Subtenant permitted to use Eastern Road). Upon request, the Port Authority will deliver instruments confirming the same to any owner or occupant of said Parcels.

21.3.2 At all times during the Term, use, development and occupation of the JFK Northern Off-Airport Parcels shall be in conformance with the requirements of the FAA as specified in Title 14 CFR, PART 77.25 relating to FAA Regulations regarding "Objects Affecting Navigational Air Space – Obstruction Standards" which have the functions and standards specified in Runway Protection Zone guidelines in FAA Advisory Circular "Airport Design AC 150/15300-13, Paragraph 212, and the rights of the State of New York to construct the Nassau Expressway. Any instrument executed by the City conveying or leasing all or any portion of the City's interest in the JFK Northern Off-Airport Properties shall expressly impose such restrictions on the use, development, and occupation of the JFK Northern Off-Airport Parcels for, with respect to the FAA Regulations, so long as the John F. Kennedy International Airport is used for Air Terminal purposes and, with respect to the Nassau Expressway, until such time as the right to develop the Nassau Expressway is surrendered by the State of New York or otherwise extinguished unless the prior written consent of the Port Authority is obtained, which consent shall not be unreasonably withheld, conditioned or delayed.

21.3.3 The Port Authority shall have the right for the duration of this Agreement to use and maintain utilities and aids to aviation existing as of the Effective Date on the JFK Northern Off-Airport Parcels identified as Parcels 4, 5 and 6 in **Exhibit B-5** on Sheet JFK-2 of **Exhibit A** attached hereto and, subject to the approval of the City, the Port Authority may relocate and replace such installations. Such installations and any replacement installations shall be deemed Equipment.

21.4 Off-Airport Properties; Height and Use Restrictions.

21.4.1 The City agrees that at no time during the Term shall the Height and Use Restricted Properties be used or occupied at any time (i) for school house or similar educational purposes or (ii) for residential purposes which include but shall not be limited to private homes, apartment houses, hospitals, nursing homes or similar facilities, hotels or motels unless the use or occupancy of such hotel or motel shall have received the express prior written consent of the Port Authority, which consent shall not be unreasonably withheld, delayed or conditioned.

21.4.2 The City agrees that at no time during the Term shall structures of any nature be erected, vehicles parked, other items placed, or growth of natural objects be permitted

by the City upon the Height and Use Restricted Properties which would in the opinion of the FAA or in the reasonable opinion of the Port Authority constitute an obstruction to avigation nor shall any activity be permitted on the Height and Use Restricted Properties which in the opinion of the FAA or in the reasonable opinion of the Port Authority interferes with or constitutes a hazard to the Municipal Air Terminals or in any way interferes with avigation or communications serving the Municipal Air Terminals. In no event, moreover, shall any structure or structures be erected or growth of natural objects be permitted upon the Height and Use Restricted Properties which shall project above a horizontal plane (i) at elevation 316 measured in feet above mean sea level at Sandy Hook, New Jersey as to the Height and Use Restricted Property described in **Exhibit B-6** as Property 1, (ii) at elevation 212 measured in feet above mean sea level at Sandy Hook, New Jersey as to the Height and Use Restricted Property described in **Exhibit B-6** as Property 2 or (iii) at elevation 162 measured in feet above mean sea level at Sandy Hook, New Jersey as to the Height and Use Restricted Property described in **Exhibit B-6** as Property 3.

Section 22. Inspection

22.1 Free Access. The City through its designated officials and employees in the performance of their official duties shall at all reasonable times have the right of free access to all portions of the Demised Premises.

22.2 Federally Restricted Areas. Notwithstanding the foregoing, however, or any other provision of this Agreement, entry by City officials or employees, or any other Person, into any Federally restricted areas of the Demised Premises, including without limitation the FAA Control Tower, Federal inspection areas, aeronautical operations areas, etc., will be subject to all applicable Federal rules and regulations.

Section 23. Condemnation

23.1 Condemnation of a Municipal Air Terminal.

23.1.1 If the whole or substantially all of a Municipal Air Terminal shall be taken (excluding a taking of the fee interest in the Demised Premises, or any leasehold interest superior to that of the Port Authority's, if after such taking, the Port Authority's rights and obligations under this Agreement are not affected) for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among the City, the Port Authority and those authorized to exercise such right, (i) this Agreement and the Term shall terminate and expire on the date of such taking with respect to the Municipal Air Terminal so taken, (ii) the Base Rent shall be apportioned between the Municipal Air Terminal so taken and the Municipal Air Terminal not taken based on the Annual Gross Revenue attributable thereto with respect to the Year immediately preceding such taking, (iii) all Rent allocated to the Municipal Air Terminal so taken shall not be due and payable under this Agreement from and after the date of such taking and (iv) as of the date of such taking, this Agreement and any and all obligations and liabilities of the Port Authority hereunder shall terminate and expire with respect to the Municipal Air Terminal so taken. Notwithstanding the foregoing, this Agreement and all of the Port Authority's obligations and liabilities hereunder

shall continue in full force and effect with respect to the Municipal Air Terminal not taken until the Expiration Date or sooner termination of this Agreement.

23.1.2 The term **"substantially all of a Municipal Air Terminal"** shall mean such portion of a Municipal Air Terminal as when so taken would leave remaining a balance of such Municipal Air Terminal which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under economic conditions and after performance by the Port Authority of all covenants, agreements, terms and provisions contained herein or by law required to be observed or performed by the Port Authority, permit the Restoration of the Improvements so as to enable the Port Authority to operate, maintain and develop such Municipal Air Terminal in accordance with **Section 28** of this Agreement.

23.1.3 If the whole or substantially all of a Municipal Air Terminal, shall be taken or condemned as provided in **Subsection 23.1.1** above, then the award, awards or damages in respect thereof shall be apportioned as follows:

(a) there shall first be paid to the City out of the award an amount which is equal to (i) the remaining rent that, but for the condemnation, would have been paid to the City, from the date of taking until the Expiration Date, discounted to present value as of the date of taking, plus (ii) the value of the Land, as vacant and unimproved, in fee simple absolute (as unencumbered by this Agreement), as of the Expiration Date;

(b) there shall next be paid to the Port Authority an amount equal to the greater of (i) the value of the Port Authority's leasehold interest in such Municipal Air Terminal and (ii) the amount required to allow the Port Authority to recover (A) the unamortized portion of its investment in the Improvements at such Municipal Air Terminal, (B) any remaining deferred charges for Equipment acquired by the Port Authority for use at or in connection with its operation of such Municipal Air Terminal (the Port Authority being entitled to any such remaining deferred charges for Equipment used for more than one facility only to the extent such deferred charges are attributable to such Municipal Air Terminal) and (C) any amounts which the Port Authority is required to pay to any of its Subtenants at such Municipal Air Terminal as a result of such taking or condemnation; and

(c) the balance, if any, of such compensation or award shall be paid to the City.

23.1.4 Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by the appropriate party of such awards.

23.2 Date of Taking. For purposes of this **Section 23**, the **"date of taking"** shall be deemed to be the date on which title to a Municipal Air Terminal or the aforesaid portion thereof shall have vested in any lawful power or authority pursuant to the provisions of the applicable federal or New York State law.

23.3 Partial Taking. If less than substantially all of a Municipal Air Terminal shall be so taken, this Agreement and the Term shall continue as to the portion of the Municipal Air Terminal not so taken together with the Municipal Air Terminal not affected by such taking;

provided that the Minimum Annual Rent shall be reduced by the percentage that the value of the area of the Demised Premises so taken bears to the Demised Premises. The Port Authority, whether or not the award or awards, if any, shall be sufficient for the purpose shall (subject to Unavoidable Delays) proceed diligently to Restore any remaining part of the Improvements not so taken so that each remaining Improvement shall be a complete, operable, self-contained architectural unit in good condition and repair. In the event of any taking pursuant to this **Subsection 23.3**, the entire award for or attributable to the Land taken, considered as unimproved and unencumbered by this Agreement, shall be first paid to the City to compensate it for the value of the Land taken, and the balance of the award, if any, shall be paid, in trust, to the Port Authority (provided that if any Superior Lease or Superior Mortgage requires payment in trust to the City, such balance shall be paid as provided therein) for application to the cost of Restoration of the part of the Improvements not so taken, and the remainder of the award, if any, shall go to the City.

23.4 Temporary Taking. If the temporary use of the whole or any part of the Demised Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between the Port Authority and those authorized to exercise such right, (w) the Port Authority shall give prompt notice thereof to the City, (x) the Term shall not be reduced or affected in any way and (y) the Port Authority shall continue to pay in full the Rent payable by the Port Authority hereunder without reduction or abatement, and (z) the Port Authority shall be entitled to receive for itself any award or payments for such use; provided, however, that:

(a) If the taking is for a period not extending beyond the Term, then (x) the award or payment shall first be paid to the Port Authority, in trust, in any amount sufficient to pay all Rent due and payable during the entire period of such taking; except that, if such taking results in changes or alterations in any of the Improvements which would necessitate an expenditure to Restore such Improvements to their former condition, then, an additional portion of such award or payment considered by the City, in its reasonable opinion, as appropriate to cover the expenses of such Restoration shall paid to the Port Authority to be held by the Port Authority, in trust, and applied and paid over toward the Restoration of the Improvements to their former condition, and (y) any portion of the award or payment which shall not be required pursuant to clause (x) above to be applied to the Restoration of the Improvements or to the payment of Rent through the end of the Term (or, if the taking is for a period terminating prior to the end of the Term, until the end of such period) shall be paid to the City; and

(b) If the taking is for a period extending beyond the Term, such award or payment shall be apportioned between the City and the Port Authority as of the Expiration Date; provided, however, that the amount of any award or payment paid to the Port Authority for the Restoration of the Improvements and not previously applied for such purpose shall be paid by the Port Authority to the City on the Expiration Date.

23.5 In the event of a negotiated sale of all or a portion of the Demised Premises in lieu of condemnation, the proceeds shall be distributed as provided in cases of condemnation.

23.6 The City shall be entitled to file a claim including, without limitation, any claim for the value of the Improvements. The Port Authority shall be entitled to file a separate claim only as provided in **Section 23.7** below and hereby waives any right to file a separate claim for the Land or any interest therein or the Improvements.

23.7 Notwithstanding anything to the contrary contained in this **Section 23**, in the event of any permanent or temporary taking of all or any part of the Demised Premises, the Port Authority and its Subtenants shall have the exclusive right to assert claims for any Equipment, trade fixtures and personal property so taken which were the property of the Port Authority or Subtenants (but not including any Fixtures) and for relocation expenses of the Port Authority and Subtenants, and all awards and damages in respect thereof shall belong to the Port Authority and Subtenants, and the City hereby waives any and all claims to any part thereof; provided, however, that if there shall be no separate award or allocation for such Equipment, trade fixtures or personal property, then such claims of the Port Authority and Subtenants, or awards and damages, shall be subject and subordinate to the City's claims under this **Section 23**.

Section 24. Covenant of Quiet Enjoyment

Subject to the exceptions, reservations, terms and conditions of this Agreement, the Port Authority, on paying the Base Rent and Additional Rent promptly when due and on performing all of the other terms, covenants and conditions set forth in this Agreement promptly as required, shall and may peaceably and quietly have, hold and enjoy the Demised Premises for the Term unless the Term shall cease, close or expire sooner.

Section 25. Events of Default; Rights and Remedies

25.1 Each of the following events shall be an "**Event of Default**" hereunder:

(a) if for any reason whatsoever (including, without limitation, any invalidity, unenforceability, illegality or legal inability to pay) (i) the Port Authority shall fail to pay any item of Base Rent or Additional Rent, or any part thereof, when the same shall become due and payable (or would have become due and payable but for any invalidity, unenforceability, illegality or legal inability to pay), nor may Unavoidable Delay be claimed as a reason for such failure, and such failure shall continue for thirty (30) days following notice from the City to the Port Authority that such item is unpaid, or (ii) the City is required to forfeit or repay all or any portion of the Lump Sum Payment or (iii) the City is required to forfeit or repay any portion of the Additional Lump Sum Payment or previously paid Rent for any Year or Years;

(b) if the Port Authority shall fail to provide to the City or the Airport Board, as the case may be, any item of information with respect to the operation or financials of the Municipal Air Terminals or the Performance Standards, and such failure shall continue for ninety (90) days after notice from the City or the Airport Board to the Port Authority specifying such failure (unless such failure requires acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be done or removed, as the case may be, within such ninety (90) day period, in which case no Event of Default shall be deemed to exist as long as the Port Authority

(i) shall have commenced curing the same within such ninety (90) day period, (ii) shall have given notice to the City of such Unavoidable Delay both (A) within thirty (30) days of the Port Authority becoming aware that any condition or event is likely to result in Unavoidable Delay and (B) once per month following the delivery of such initial notice until the Unavoidable Delay no longer exists, in each case, indicating the steps taken by the Port Authority to address or extinguish such Unavoidable Delay and (iii) shall continue, subject to Unavoidable Delays, to diligently and continuously prosecute the same to completion);

(c) if the Port Authority shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Agreement and such failure shall continue for a period of ninety (90) days after notice thereof by the City to the Port Authority specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done or removed, as the case may be, within such ninety (90) day period, in which case no Event of Default shall be deemed to exist as long as the Port Authority shall have commenced curing the same within such ninety (90) day period and shall, subject to Unavoidable Delays, diligently and continuously prosecute the same to completion);

(d) a breach of any representation by the Port Authority contained in this Agreement, including, without limitation, the representations contained in **Subsection 6.1**;

(e) if this Agreement or the Port Authority's leasehold interest or the Demised Premises or any portion of any of same shall be assigned, subleased, transferred, mortgaged or encumbered without compliance with the provisions of this Agreement applicable thereto and such transaction shall not be made to comply or voided ab initio within thirty (30) days after notice thereof from the City to the Port Authority; and

(f) if a levy under execution or attachment shall be made against the Demised Premises and such execution or attachment shall not be vacated or removed by court order, or otherwise or bonded within a period of ninety (90) days from the date on which the Port Authority shall have received notice of same.

25.2 Upon the occurrence of an Event of Default, the City shall have all the rights and remedies for which provision is now made by law and all additional remedies which may hereafter be provided by law, including, without limitation, to the extent set forth in §6638 of McKinney's Unconsolidated Laws, as the same may, from time to time, be amended, supplemented or replaced or otherwise available to the City, including, without limitation, the right on the part of the City to institute actions or proceedings of any form or nature in law, equity or otherwise in connection with this Agreement for money damages, money damages for torts arising out of the operation of the Municipal Air Terminals, for Base Rent and Additional Rent and the Lump Sum Payment or the Additional Lump Sum Payment, for specific performance or injunction, for reformation thereof, for accounting, for declaratory judgment and for judgments, orders, or decrees restraining or enjoining the Port Authority from committing or continuing to commit breaches of this Agreement including, without limitation, (a) actions for a

declaratory judgment declaring that an Event of Default has occurred and declaring, in the case and only in the case of an Event of Default under **paragraph 25.1(a)** or **25.1(b)** above, that this Agreement is terminated in accordance with the terms and conditions of this Agreement, and (b) actions for specific performance and/or an injunction requiring the Port Authority to abide by covenants in this Agreement, including, without limitation, its covenant to quit and surrender the Demised Premises upon any termination of this Agreement in accordance with the terms and conditions of this Agreement. The provisions of this **Section 25.2** shall survive the expiration or sooner termination of this Agreement.

25.3 (a) If an Event of Default described in **subparagraphs (a)** or **(b)** of **Subsection 25.1** above shall occur, then, in addition to the exercise of any remedies of the kind described in **Subsection 25.2** above (i) the City, at its election, by notice to the Port Authority, shall have the right to terminate this Agreement as of the date specified in the notice, which date shall not be less than one hundred twenty (120) days following the effective date of such notice, and if on such specified date the Port Authority shall have failed to cure the default which is the basis for the Event of Default, then the Term and all rights of the Port Authority under this Agreement shall expire and terminate as if such specified date were the date herein definitely fixed for the expiration of the Term, and the Port Authority immediately shall quit and surrender the Demised Premises in accordance with **Section 33** of this Agreement and (ii) at any time after the date specified in the notice described in **clause (i)** above, the City may dispossess the Port Authority by summary proceedings or otherwise. In the event this Agreement is terminated pursuant to this **subparagraph (a)** of this **Subsection 25.3**, then, except for the provisions of this Agreement which, by their terms, survive expiration or sooner termination of this Agreement, the entirety of this Agreement shall immediately terminate and be of no further force or effect, and the Port Authority shall have no further rights hereunder

(b) Notwithstanding the provisions of **Subsection 25.3(a)**, in the event that (i) an Event of Default under **clause (i)** of **Subsection 25.1(a)** has occurred by reason of the Port Authority's obligation to pay all or any portion of Base Rent or Additional Rent having been determined to be invalid or unenforceable or unlawful, or (ii) an Event of Default under **clause (iii)** of **Subsection 25.1(a)** has occurred, the City shall not have the right to terminate this Agreement solely by reason thereof so long as the Port Authority lawfully and validly, as applicable, (x) pays to the City within sixty (60) days from the date of repayment or forfeiture an amount equal to so much of the Additional Lump Sum Payment or previously paid Rent as has been repaid or forfeited, plus interest at the Interest Rate from the date of such repayment or forfeiture, as applicable, and (y) within sixty (60) days of such Event of Default, pays and thereafter continues to timely pay amounts equal to all Base Rent and Additional Rent as would have been paid under the terms of, and reasonably close (with appropriate present-value adjustments) to the times set forth in, this Agreement had the same not been held to be invalid, unenforceable or unlawful.

(c) Notwithstanding the provisions of **Subsection 25.3(a)**, in the event of the occurrence of an Event of Default of the kind described in **clause (ii)** of **Subsection 25.1(a)**, the Port Authority shall use best efforts to lawfully and validly pay to the City an amount equal to the Lump Sum Payment or portion thereof that was repaid or forfeited, together with interest at the Interest Rate from the date of repayment or forfeiture, and so long as the Port Authority continues such best efforts and complies with all of the terms of this Agreement, and

there is no other Event of Default hereunder, the City shall not have the right to terminate this Agreement solely by reason of such Event of Default described in clause (ii) of **Subsection 25.1(a)**, provided however, that if such payment is not lawfully and validly made within two years from the date of such Event of Default, the City may thereafter terminate this Agreement by reason thereof and may also, at its option, reinstate the Arbitration in accordance with the terms of the Stipulation of Settlement, the form of which is set forth in **Appendix D**, pursuant to which the City's recovery is limited to Five Hundred Million Dollars ($500,000,000). The City shall in good faith cooperate with such efforts. The provisions of this **Subsection 25.3(c)** shall survive the expiration or sooner termination of this Agreement.

(d) If this Agreement shall be terminated by reason of an Event of Default under (x) **clause (i)** of **Subsection 25.1(a)** by reason of the Port Authority's obligation to pay all or any portion of Base Rent or Additional Rent having been determined to be invalid or unenforceable or unlawful or (y) **clause (iii)** of **Subsection 25.1(a)**, then, notwithstanding such termination, the parties agree that (xx) for a period of nine (9) months following the date of termination, they will use good faith efforts to negotiate the terms of a substitute lease agreement covering the Demised Premises and (yy) during the period of such negotiation, the Port Authority may continue to occupy the Demised Premises; provided that, at all times during such occupancy of the Demised Premises, the Port Authority (A) continues to operate and maintain the Municipal Air Terminals in a manner consistent with the provisions of **Section 28** of this Agreement, (B) continues to maintain all insurance policies required under **Section 14** at limits, and otherwise in accordance with the requirements of **Section 14** and (C) otherwise complies with the terms of this Agreement as if this Agreement were still in full force and effect. The provisions of this **Subsection 25.3(d)** shall survive the expiration or sooner termination of this Agreement.

25.4 In addition to any other rights the City may have in connection with an Event of Default under this Section, if the Port Authority fails to pay to the City any Base Rent or Additional Rent due under the terms of this Agreement, the City shall have the right to bring a summary proceeding for non-payment of rent pursuant to RPAPL § 711(2). The parties agree that service of a rent demand pursuant to RPAPL §711(2) and the notice of petition and petition shall be proper service on the Port Authority pursuant to RPAPL § 735 if personally delivered to any employee of the Port Authority located at the Office of the Manager of Kennedy Airport, which is currently located at General Manager's Office, JFK International Airport, Building 14, 2nd Floor, Jamaica, NY 11430, John F. Kennedy International Airport, and by mailing same both by registered or certified mail, and by first class mail to the Port Authority at 225 Park Avenue South, New York, NY 10003, Attn: Executive Director, within one day after delivery. If the location of the Office of the Manager changes, the Port Authority shall immediately notify the City of such new location. The provisions of this **Section 25.4** shall survive the expiration or sooner termination of this Agreement.

25.5 All obligations and liabilities of the Port Authority under this Agreement shall survive any expiration or earlier termination of this Agreement until the Port Authority surrenders possession of the entire Demised Premises to the City, after which time only those obligations and liabilities of the Port Authority that, by the terms of this Agreement, expressly survive the expiration or sooner termination of this Agreement shall survive and remain enforceable against the Port Authority.

25.6 The Port Authority hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this **Section 25**. The Port Authority shall execute, acknowledge and deliver any instruments which the City may request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

25.7 No receipt of moneys by the City from the Port Authority after the termination of this Agreement, or after the giving of any notice of the termination of this Agreement (unless such receipt cures the Event of Default which was the basis for the notice), shall reinstate, continue or extend the Term or affect any notice theretofore given to the Port Authority or operate as a waiver of the right of the City to enforce the payment of Rent or the Lump Sum Payment or the Additional Lump Sum Payment payable by the Port Authority hereunder or thereafter falling due, or operate as a waiver of the right of the City to recover possession of the Demised Premises by proper remedy, it being agreed that after the termination of this Agreement, or after the service of notice to terminate this Agreement or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Demised Premises, the City may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and operation of the Demised Premises or, at the election of the City, on account of the Port Authority's liability hereunder. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

25.8 Except as otherwise expressly provided herein, the Port Authority, for and on behalf of itself and all persons claiming through or under the Port Authority, expressly waives any and all right of redemption provided by any law or statute now in force or hereafter enacted or otherwise, or re-entry or repossession or to restore the operation of this Agreement in case the Port Authority shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or repossession by landlord or in case of any expiration or termination of this Agreement, and the City and the Port Authority waive and shall waive trial by jury in any action; proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Agreement, the relationship of the City and the Port Authority, the Port Authority's use or occupancy of the Demised Premises, or any claim of injury or damage. The terms "enter," "re-enter," "entry," or "re-entry" as used in this Agreement are not restricted to their technical legal meaning. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

25.9 No failure by the City or the Port Authority to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Agreement and no breach thereof, shall be waived, altered or modified except by a written instrument expressly agreeing to such waiver, alteration or modification executed by the City and the Port Authority. No waiver of any breach shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement still continue in full force and effect with respect to any other then existing or subsequent breach thereof.

25.10 Each right and remedy of the City provided for in this Agreement shall be cumulative and shall be in addition to every other right or remedy provided for in this Agreement and the exercise or beginning of the exercise by the City of any one or more of the rights or remedies provided for in this Agreement shall not preclude the simultaneous or later exercise by the City of any or all other rights or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise.

25.11 The Port Authority shall pay to the City all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by the City in any action or proceeding to which the City may be made a party by reason of any act or omission of the Port Authority. The Port Authority also shall pay to the City all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements incurred by the City in enforcing any of the covenants and provisions of this Agreement and incurred in any action brought by the City against the Port Authority on account of the provisions hereof, and all such costs, expenses, and reasonable attorneys' fees and disbursements may be included in, and form a part of, any judgment entered in any proceeding brought by the City against the Port Authority, on or under this Agreement. All of the sums paid or obligations incurred by the City as aforesaid, with interest at the Interest Rate accruing from the date such amount was so paid or incurred, shall be paid by the Port Authority to the City within fifteen (15) days after demand by the City. The provisions of this **Section 25.11** shall survive the expiration or sooner termination of this Agreement.

25.12 Suit or suits for the recovery of damages, or for a sum equal to any installment or installments of Rent payable hereunder or other sums payable by the Port Authority to the City pursuant to this Agreement, may be brought by the City from time to time at the City's election, and nothing herein contained shall be deemed to require the City to await the date where this Agreement or the Term would have expired had there been no Event of Default by the Port Authority.

Section 26. The City's Right to Perform Obligation of the Port Authority

26.1 If, after notice thereof and after applicable grace periods, if any, provided under this Agreement for the Port Authority to perform or commence to perform any covenant or take any action to be performed or taken by the Port Authority pursuant to **Subsection 14.17** or **Subsection 32.2** of this Agreement, the City, without waiving or releasing the Port Authority from any obligation of the Port Authority contained in this Agreement, may (but shall be under no obligation to) perform such, covenant or take such action on the Port Authority's behalf.

26.2 All sums paid by the City and all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by the City in connection with its performance of any obligation or the taking of any action pursuant to **Subsection 26.1** above, together with interest thereon at the Late Rate from the respective dates of the City's making of each such payment or incurring of each such sum, cost, expense, charge, payment or deposit until the date of repayment to the City, shall be paid by the Port Authority to the City as Additional Rent within thirty (30) days after the City shall have submitted to the Port Authority a statement, in reasonable detail, substantiating the amount demanded by the City. Any performance by the City pursuant to **Subsection 26.1** above, or any payment made pursuant

thereto, shall not be nor be deemed to be a waiver or release (i) by the City of a claim of breach of this Agreement on the part of the Port Authority or (ii) a claim for an Event of Default with respect thereto or (iii) of the right on the part of the City to, as applicable, terminate this Agreement, institute summary proceedings or take such other action as may be permissible hereunder or otherwise provided at law or in equity if an Event of Default the Port Authority shall have occurred. The provisions of this Section 26 shall survive the expiration or earlier termination of this Agreement.

Section 27. Notice

27.1 Notices, requests, demands, consents and approvals required to be given to or by either party hereunder, including without limitation statements, audit reports and reports of rental payments ("**Notices**"), shall be in writing and shall be personally delivered during business hours or delivered by a nationally recognized overnight courier service or sent by registered or certified mail, postage prepaid and return receipt requested, to the duly designated officer of such party. Until further notice, the duly designated officers are as follows:

To the Port Authority
Executive Director
The Port Authority of New York and New Jersey
225 Park Avenue South
New York NY 10003

To the City
The City of New York
c/o New York City Economic Development Corporation
110 William Street
New York, New York 10038
Attention: Director of the Aviation Department

With a copy to:

The City of New York
c/o The New York City Economic Development Corporation
110 William Street
New York, New York 10038
Attention: Chief Financial Officer

Notwithstanding the foregoing, the Port Authority shall also send copies of all Annual Statements, estimates and other information and documents required by **Section 4.4** to the City at the following address:

New York City Office of Management and Budget
75 Park Place
New York, New York 10007
Attention: Budget Director

27.2 Each Notice shall be deemed given and effective upon receipt, or, in the event of a refusal by the addressee, on the first tender of such Notice to the addressee at the designated address.

27.3 All Notices shall be forwarded to the above addresses until notice in writing of change of address is forwarded by either party to the other by Notice given in the manner provided herein.

Section 28. Operation and Development of the Municipal Air Terminals

28.1 Covenants of the Port Authority. The Port Authority shall use, operate and maintain, rehabilitate, expand, improve, and develop the Municipal Air Terminals as "first-class" airports and in accordance with the Performance Standards. In that connection:

(a) The Port Authority shall provide all necessary facilities for the accommodation of aircraft and for the safe and efficient loading, unloading, transfer, and interchange of passengers and cargo and for the safe and efficient use and convenience of operators and passengers;

(b) The Port Authority shall take all commercially reasonable steps as may be necessary to maintain the continuous, uninterrupted and safe operation of the Municipal Air Terminals at levels necessary to meet the air travel and cargo demands of the City of New York and surrounding metropolitan area, including any growth in such demands;

(c) The Port Authority shall continue to make all Air Terminal facilities and services available for public use on fair and reasonable terms without unjust discrimination;

(d) The Port Authority shall keep each of the Municipal Air Terminals open for operations in accordance with all relevant FAA approvals and requirements;

(e) The Port Authority shall take all commercially reasonable steps as may be necessary to ensure that the operation of the Municipal Air Terminals will not be interrupted if the Port Authority becomes insolvent or seeks the protection of or becomes subject to any state or federal bankruptcy, reorganization, insolvency, liquidation, or dissolution proceeding or any petition or similar request seeking the dissolution or reorganization of the Port Authority or the appointment of a receiver, trustee, custodian, or liquidator for the Port Authority or a substantial part of the Port Authority or its property, assets, or business;

(f) The Port Authority will maintain, improve, and modernize the facilities of the Municipal Air Terminals through capital investment and will submit to the Airport Board all plans for carrying out such maintenance, improvement and modernization so as to maintain, at all times, each of the Municipal Air Terminals as a "first-class" airport and in accordance with the Performance Standards;

(g) The Port Authority shall take such steps as are necessary to and shall attain, on an ongoing basis, the Performance Standards at each of the Municipal Air Terminals;

(h) The Port Authority shall maintain safety and security at the Municipal Air Terminals at the highest possible levels;

(i) Except as expressly provided in **Section 18** of this Agreement, the Port Authority shall, and shall cause all Subtenants and all other users of the Demised Premises to, comply with all existing and future laws, ordinances, rules and regulations of the United States, the State of New York, the City of New York or any agency, instrumentality, department, commission, court, tribunal or board thereof having jurisdiction over, or affecting the Demised Premises, at any time during the Term;

(j) The Port Authority shall, and shall cause the Demised Premises and all Subtenants and other users of the Demised Premises to, comply with all Environmental Laws;

(k) The Port Authority has complied with, and shall continue to comply in all respects, with the New York State Department of Environmental Conservation Order on Consent, In the Matter of Alleged Violations of Article 12 of the New York State Navigation Law, Article 17 of the New York State Environmental Law, and Title 6, Parts 611, 613, 702 and 703 of the New York Codes, Rules and Regulations, John F. Kennedy International Airport Environmental Compliance Order, DEC File No. R2-3519-91-02, effective February 22, 1994;

(l) If at any time any Hazardous Materials are found at, on, under or migrating to or from the Demised Premises, the Port Authority shall, or shall cause responsible Subtenants and other users of the Demised Premises to, (A) promptly commence and diligently prosecute to completion all investigation, sampling, monitoring, containment, cleanup, removal, restoration, remedial work, or other response action of any kind to the extent required by and in compliance with Environmental Laws, and (B) provide periodic notices or reports to the City in such form and substance as the City may reasonably require, specifying the nature and condition of such Hazardous Materials, and such action the Port Authority, any Subtenant or any other Person the Port Authority has knowledge of, has taken, is taking or proposes to take with respect thereto;

(m) The Port Authority shall promptly provide notice to the City if the Port Authority becomes aware of any claim, action, judgment, obligation, suit, notice, notice of violation, investigation, proceeding, order or lien relating to (A) a violation or alleged violation of, or matter arising under, any Environmental Laws with respect to the Demised Premises, or (B) Hazardous Materials at, on, under or migrating to or from the Demised Premises; and

(n) The Port Authority shall cause all inspections of and maintenance to the Light Rail System to be performed in accordance with all guidelines and procedures of the New York City Department of Transportation, which shall include,

without limitation, obtaining all permits required to be obtained in the event that any such inspection or maintenance restricts the flow of traffic on any vehicular artery.

28.2 Continuous Operation of Municipal Air Terminals. The Port Authority acknowledges that the continuous, uninterrupted, safe, convenient, and efficient operation of each of the Municipal Air Terminals is important to the health, safety and welfare of the public.

28.3 Authority and Discretion of the Port Authority. Subject to the terms of this Agreement, the Port Authority shall have full power and discretion to proceed with the operation, maintenance, financing, rehabilitation, expansion, improvement and development of the Municipal Air Terminals, and to enter into such contracts, agreements, Subleases or other arrangements with respect thereto as it may deem necessary and desirable, and all matters connected therewith, including but not limited to, all details of financing, construction, leasing, charges, rates, tolls, contracts, and operation shall be within the sole discretion of the Port Authority. Subject to the terms of this Agreement, the decisions of the Port Authority in connection with any and all matters concerning the Municipal Air Terminals shall be controlling, provided that all such things shall be done by the Port Authority in its own name and on its own credit.

28.4 Delegation of Obligations by the Port Authority. The Port Authority shall not delegate all or any portion of its (i) obligations or (ii) authority or discretion, under this Agreement, except, in either case, as such obligations, authority and discretion are customarily delegated to contractors, Subtenants and other third parties pursuant to contracts, subleases and other agreements entered into in the ordinary course of the business of maintaining and operating the Air Terminals.

28.5 No Obligations on the Part of the City. Except as expressly provided herein, the City shall not be required to furnish any services, utilities or facilities whatsoever to the Demised Premises, nor shall the City have any duty or obligation or to make any alteration, change, improvement, replacement, Restoration or Repair to, nor to demolish, any Improvements or to maintain or manage the Demised Premises; nor shall the reservation, if any, of the right to the City hereunder create any obligation on the part of the City to the Port Authority or any third party.

Section 29. Entire Agreement

This Agreement, together with the Exhibits, Schedules and Appendices annexed hereto, amends and restates and supersedes the Old Agreement in its entirety, effective as of the Effective Date, and constitutes the entire agreement between the Port Authority and the City on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the City. Except for certain obligations that may survive as provided in Section 3.1, from and after the Effective Date, the Old Agreement shall have no further force or effect.

Section 30. No Third Party Beneficiary, No Personal Liability

30.1 Except as expressly provided herein, nothing herein contained shall be deemed or construed to be an undertaking or covenant for the benefit of any third party.

30.2 No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City or EDC shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Agreement or because of its execution or because of any breach or attempted or alleged breach hereof.

30.3 Without limiting the generality of **Subsection 30.2** above, the City and EDC shall not in any event whatsoever be liable for any injury or damage to the Port Authority or to any other Person happening on, in or about the Demised Premises and its appurtenances, nor for any injury or damage to the Demised Premises or to any property belonging to the Port Authority or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of the Improvements, or the streets or sidewalk area within the Demised Premises or which way arise from any other cause whatsoever.

30.4 The City and EDC shall not be liable to the Port Authority or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of the Port Authority or of any other Person or to the Demised Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas or subsurface area or from any part of the Demised Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditaments by anybody, or caused by any public or quasi-public work.

30.5 In no event shall the City or EDC be liable to the Port Authority or to any other Person for any injury or damage to any property of the Port Authority or of any other Person or to the Demised Premises, arising out of any sinking, shifting, movement, subsidence, failure in load-bearing capacity of, or other matter or difficulty related to, the soil, or other surface or subsurface materials, on the Demised Premises, it being agreed that the Port Authority shall assume and bear all risk of loss with respect thereto.

30.6 The provisions of this **Section 30** shall survive the expiration or sooner termination of this Agreement.

Section 31. Indemnification by the Port Authority

31.1 *General Indemnity.* The Port Authority hereby undertakes and agrees to indemnify and save the City and EDC harmless from any claims, causes of action or judgments, by reason of bodily injuries sustained by any person or persons, including death, and for any claims for damages to property arising out of or occurring at the Demised Premises.

31.2 *Environmental Indemnity.* In addition to the provisions of **Subsection 31.1** and for the avoidance of doubt, the Port Authority shall indemnify and save the City and the EDC harmless from and against any and all Environmental Liabilities, which may be imposed upon or incurred by or asserted against the City or the EDC by any Person, at any time from and after the commencement date of the Old Agreement arising from any action (including, without

limitation, acts of terrorism) or inaction by, or status of, any Person relating to, arising out of or occurring at the Demised Premises.

31.3 The provisions of this **Section 31** shall survive the expiration or earlier termination of this Agreement (including, without limitation, resulting from a taking of all or any portion of the Demised Premises) with respect to events occurring prior to such expiration or termination, whether claims with respect thereto are made before or after such expiration or termination.

Section 32. Liens and Impositions

32.1 Under Section 1045-(j)(5) of the New York State Public Authorities Law, unpaid water and sewer charges are a lien upon the Demised Premises and a charge against the owner of the Demised Premises. The Port Authority shall not create or permit to be created any such lien, or any other lien, encumbrance or charge upon the Demised Premises or any part thereof, the income therefrom or any assets of, or funds appropriated to, the City, and the Port Authority shall not suffer any other matter or thing whereby the estate, right and interest of the City in the Demised Premises or any part thereof might be impaired.

32.2 If any mechanic's, laborer's or materialman's lien or any lien exists as a result of a failure to pay any water or wastewater rents and surcharges when due and owing, at any time, shall be filed in violation of the obligations of the Port Authority pursuant to **Subsection 32.1** above against the Demised Premises or any part thereof or, if any public improvement lien created or permitted to be created by the Port Authority shall be filed against any assets of, or funds appropriated to, the City, the Port Authority, within forty-five (45) days after receipt of notice of the filing thereof shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If the Port Authority shall fail to cause such lien to be discharged of record within the period aforesaid, and if such lien shall continue for an additional ten (10) days after notice by the City to the Port Authority, then, in addition to any other right or remedy, the City may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, the City shall be entitled, if the City so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by the City, including all reasonable costs and expenses incurred by the City in connection therewith including, without limitation, reasonable attorneys' fees and disbursements, together with interest thereon at the Late Rate from the respective dates of the City's making of the payment or incurring of the costs and expenses, shall constitute Additional Rent and shall be paid by the Port Authority to the City within five (5) days after demand. Notwithstanding the foregoing provisions of this **Subsection 32.2**, the Port Authority shall not be required to discharge any such lien, and shall not take any of the actions described in this paragraph, if the Port Authority is in good faith contesting the same which, in the case of water and sewer charges, shall include the filing of a complaint administratively according to DEP and Water Board administrative procedures. The provisions of this Section 32.2 shall survive the expiration or earlier termination of this Agreement.

Section 33. Surrender at End of Term

33.1 Demised Premises. Upon the expiration or sooner termination of the Term the Port Authority covenants and agrees that it shall, in compliance with **Section 5** and all other relevant provisions of this Agreement, surrender and deliver to the City the Demised Premises together with all Improvements thereon, as well as all Equipment, including, without limitation, the Port Authority Water System Property, the intent being that when the Demised Premises are returned to the City, (i) all Equipment shall become the property of the City and (ii) the Demised Premises shall be in good condition as operating Air Terminals maintained to the standards provided herein, all of which shall be free and clear of any and all lettings, occupancies, liens, debts or encumbrances of whatsoever kind, nature and description (except with respect to such leased Equipment), except to the extent otherwise agreed by the City in writing.

33.2 Records, Permits and other Agreements. On the last day of the Term or upon any earlier termination of the Agreement, or upon a re-entry by the City upon the Demised Premises pursuant to this Agreement, the Port Authority shall make available to the City (i) to the extent within the possession or control of the Port Authority, executed counterparts of all Subleases concessions, license agreements and any service and maintenance contracts then affecting the Demised Premises or, if not originals, "best copies" of such documents, (ii) true and complete maintenance records for the Demised Premises, (iii) all original licenses and permits then pertaining to the Demised Premises, and (iv) all warranties and guarantees then in effect which the Port Authority has received in connection with any work or services performed or Fixtures or Equipment installed in or on the Demised Premises, together with a duly executed assignment thereof to the City, all financial reports, books and records required to be maintained by the Port Authority pursuant to the terms of this Agreement and any and all other documents of every kind and nature whatsoever relating to the Demised Premises.

33.3 The provisions of this **Section 33** shall survive the expiration or sooner termination of this Agreement.

Section 34. Assignment of Rents; No Subordination of City's Interest

34.1.1 Neither the City's interest in the Demised Premises nor the City's interest in this Agreement, as this Agreement may be modified, amended or supplemented, shall be subject or subordinate to any mortgage, liens or encumbrances now or hereafter affecting the Port Authority's interest in this Agreement, including, without limitation, any existing or future Sublease or Subtenant leasehold mortgage.

34.1.2 The City shall have the right at any time to assign all or any portion of its right, title and interest in and to the receipt of Rent to be paid by the Port Authority hereunder and to direct that the Rent, or designated portions thereof, be paid to a public authority or to such other entity or entities, including a trustee whose duties include the receipt of such payments, as the City may, by at least thirty (30) days prior written notice to the Port Authority, designate (each such assignee, a "Permitted Assignee"). Upon receipt of written direction from the City, the Port Authority shall pay the portion of Rent specified in such direction to the Permitted Assignee named therein. Any Permitted Assignee may bring an action against the Port Authority to recover sums due to it, and a Permitted Assignee shall have all of the lawfully assignable

remedies the City has hereunder for the failure of the Port Authority to pay Rent, provided that the City shall not assign its right to terminate this Agreement, and the Port Authority hereby consents to the jurisdiction of the courts of the State of New York and the Federal District Court of the Southern District of New York for any action by a Permitted Assignee to recover sums due hereunder.

Section 35. Intentionally Deleted

Section 36. Miscellaneous

36.1 Consents. Except as expressly provided herein to the contrary, wherever this Agreement provides for consent or approval to be given by either party, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

36.2 Intentionally Deleted.

36.3 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held to be invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. Notwithstanding the foregoing, if any provision that gives the City the right to terminate this Agreement for failure to pay Rent or any other payment is held to be invalid or unenforceable by the determination of any court or administrative agency having jurisdiction, then this entire Agreement shall automatically terminate and be of no further force or effect, except for those provisions that expressly survive the expiration or earlier termination of this Agreement; provided that this Agreement shall not terminate, if the adverse determination was by an administrative agency, unless and until such time as such determination is upheld on appeal to a court having jurisdiction, or the applicable time for bringing such appeal has expired, whichever is sooner.

36.4 Change in Name of Municipal Air Terminals. Neither party shall, at any time during the Term, change the name of either of the Municipal Air Terminals or otherwise refer to the Municipal Air Terminals by any name other than "John F. Kennedy International Airport" and "LaGuardia Airport," respectively, without the prior written consent of the other party, which consent may be granted or withheld in such party's sole and absolute discretion.

36.5 Most Favored Nation. In the event that the Port Authority shall after the date hereof enter into any agreement, amendment, supplement, settlement or extension that (i) relates, directly or indirectly, to the Newark Airport Lease or the premises covered thereby, including, without limitation, any agreement entered into pursuant to Section 47 of the Newark Airport Lease (as amended by the Eighteenth Supplemental Agreement to the Newark Airport Lease dated as of January 1, 2002), but expressly excluding the Newark MFN Amendment (as hereinafter defined) *and* (ii) provides, directly or indirectly, for increased or enhanced financial consideration to the City of Newark, *then* the Port Authority shall offer comparable increased or enhanced financial consideration to the City and shall agree to amend or supplement this Agreement accordingly. The "Newark MFN Amendment" is hereby defined as the first

amendment, after execution and delivery of this Agreement, of the Newark Airport Lease, to the extent said amendment incorporates provisions that are comparable to the corresponding provisions of this Agreement and is required pursuant to a certain agreement entered into between the Port Authority and the City of Newark as of October 31, 2002. The Port Authority shall, within thirty (30) days of its execution, provide the City with a copy of any agreement, amendment, supplement, settlement or extension described in this Section and of any other amendment, supplement, settlement or extension of the Newark Airport Lease, irrespective of whether it provides for increased financial consideration.

36.6 Allocation of Passenger Facility Charges. The Passenger Facility Charges received by the Port Authority to date from the three major airports operated by the Port Authority, as well as any increased Passenger Facility Charges authorized and imposed in the future, shall be invested in the Municipal Air Terminals in an amount equal to the proportion which the Passenger Facility Charges originating at the Municipal Air Terminals bear to all such Passenger Facility Charges collected by the Port Authority, although it is understood that such proportion may be reached over a period of years and not necessarily in each year. The Port Authority agrees that such proportion will be reached within five years. The Port Authority will submit to the City an initial list of projects eligible for Passenger Facility Charge funding approval by the Federal government on or about January 1, 2005. The City will submit to the Port Authority any projects it wishes the Port Authority to consider for submission to the Federal Government for Passenger Facility Charge funding approval.

36.7 Uninvested Charges. At the expiration or earlier termination of this Agreement, all Passenger Facility Charges which have been collected by the Port Authority or any of its Affiliates from or with respect to the Municipal Air Terminals but not invested in the Municipal Air Terminals shall be paid to the operator of the Municipal Air Terminals in accordance with Federal law and regulations. The provisions of this **Section 36.7** shall survive the expiration or earlier termination of this Agreement.

36.8 Modifications. This Agreement may not be changed, modified, or terminated orally, but only by a written instrument expressly agreeing to change, modify or terminate it and executed by the party against whom enforcement of any such change, modification, or termination is sought.

36.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

36.10 Binding Effect. The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, the City and the Port Authority and their respective successors and permitted assigns.

36.11 Section Headings. The section headings of this Agreement are for reference purposes only and shall not be deemed descriptive of such sections.

36.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

EFFECTIVE

IN WITNESS WHEREOF, the City has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Commissioner of the Department of Small Business Services; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, as of the day and year first written above.

Attest:

City Clerk

Michael McSweeney
1st Deputy & Acting City Clerk

THE CITY OF NEW YORK

By: _____
Robert W. Walsh
Commissioner
Department of Small Business Services

Approved as to form:

Acting Corporation Counsel

Attest:

_____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

_____

EFFECTIVE

IN WITNESS WHEREOF, the City has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Commissioner of the Department of Small Business Services; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, as of the day and year first written above.

Attest:

THE CITY OF NEW YORK

_____
City Clerk

By: _____
Robert W. Walsh
Commissioner
Department of Small Business Services

Approved as to form:

_____
Acting Corporation Counsel

Attest:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Secretary

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder
General Counsel

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

On the 23 day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Robert W. Walsh, Commissioner of the Department of Small Business Services of THE CITY OF NEW YORK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual who subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

ANDREW SCHWARTZ
Notary Public, State of New York
No. 24-4943703
Qualified in Kings County
Commission Expires Oct. 31, 2006

Notary Public

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

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

Notary Public

LILIA DWYER
Commissioner of Deeds
City of New York No. 3-7093
Certificate Filed in New York County
Commission Expires Feb. 01, 20[illegible]

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

On the 24th day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

TIMOTHY G. STICKELMAN
Notary Public, State of New York
No. 02ST6086913
Qualified in Suffolk County
Commission Expires on February 3, 2007

EXHIBIT A

The original of the Surveys of the Demised Premises prepared by Vollmer Associates LLP on November 23, 2004, certified to the Port Authority and The City of New York and consisting of seven (7) pages designated as Map Number VA# 2004-018-02 and Map Number VA# 2004-018-03 is being delivered to the Office of the Register of The City of New York for recording simultaneously with this Agreement.

EXHIBIT B

(see attached)

EXHIBIT B
DEMISED PREMISES
JOHN F. KENNEDY INTERNATIONAL AIRPORT

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at an angle point of the U.S. Pierhead and Bulkhead line, the coordinates of said point being South 60966.20 East 63757.37 and running thence; along the U.S. Pierhead and Bulkhead line, (1) South 74°14'56" West a distance of 2726.47' feet to the easterly side of the land of the Long Island Railroad;
Running thence, in a northerly direction along the land of the Long Island Railroad the following courses and distances:
(2) North 40°18'26" West a distance of 1173.23' feet to a point; thence
(3) South 38°51'40" West a distance of 35.64' feet to a point; thence
(4) North 40°18'26" West a distance of 2370.27' feet to a point of curvature; thence
(5) along an arc curving to the left, having a radius of 5769.58' feet a distance of 906.28'feet and a central angle of 9°00'00" to a point; thence
(6) North 49°18'26" West a distance of 644.54' feet to a point; thence
(7) North 40°41'34" East a distance of 20.00' feet to a point; thence
(8) North 49°18'26" West a distance of 43.00' feet to a point; thence
(9) North 03°17'17" West a distance of 48.64' feet to a point; thence
(10) North 49°18'26" West a distance of 110.00' feet to a point; thence
(11) South 50°15'01" West a distance of 35.49' feet to a point; thence
(12) North 49°18'26" West a distance of 467.36' feet to a point; thence
(13) South 40°41'34" West a distance of 20.00' feet to a point; thence
(14) North 49°18'26" West a distance of 508.28' feet to a point; thence
(15) North 40°41'34" East a distance of 10.00' feet to a point; thence
(16) North 49°18'26" West a distance of 620.10' feet to a point; thence
(17) North 19°52'53" West a distance of 40.71' feet to a point; thence
(18) North 49°18'26" West a distance of 116.60' feet to a point on the southerly line of Southern Parkway, also known as the Belt Parkway; thence
(19) North 76°26'23" East a distance of 15.00' feet; thence
(20) along a bridge that crosses over the Southern Parkway, North 49°18'31" West a distance of 707.83' feet to a point to the northerly side of North Conduit Avenue; thence
(21) along the northerly side of North Conduit Avenue, South 80°38'48" West a distance of 62.17' feet to the easterly side of the Long Island Railroad; thence the following courses and distances along the easterly side of the land of the Long Island Railroad,
(22) North 12°11'48" West a distance of 0.83' feet; thence
(23) North 49°16'48" West a distance of 33.17' feet; thence
(24) North 12°11 '48" West a distance of 8.29' feet; thence
(25) North 49°16'48" West a distance of 1248.25' feet; thence
(26) North 45°49'23" West a distance of 165.84' feet; thence
(27) North 44°15'09" West a distance of 62.04' feet; to a point thence
(28) North 44°15'09" West a distance of 17.86' feet to the land now or formerly of the New York Racing Association; thence
through the land of the New York Racing Association (29) North 45°44'51" East a distance of 24.11' feet; thence
(30) North 28°15'57" East a distance of 115.64' feet; thence
(31) North 72°38'36" East a distance of 386.70' feet to a point of curvature, thence
(32) along an arc curving to the right having a radius of 95.00' a distance of 107.33' feet and a central angle of 64°43'50"; thence
(33) South 42°37'34" East a distance of 54.55' feet; thence
(34) South 44°42'27" East a distance of 131.39' feet to a point of curvature; thence
(35) along an arc curving to the left having a radius of 505.00' a distance of 51.31' feet and a central angle of 5°49'17"; thence

(36) South 50°31 '44" East a distance of 46.47' feet; thence
(37) along an arc curving to the left having a radius of 115.00' a distance of 32.08' feet and a central
angle of 15°59'03"; thence
(38) South 66°30'47" East a distance of 153.69' feet to a point of curvature; thence
(39) along an arc curving to the left having a radius of 615.00' a distance of 354.73' feet and a central angle of 33°02'52"; thence
(40) North 80°26'21" East a distance of 280.00' feet to a point of curvature; thence
(41) along an arc curving to the right having a radius of 129.00' a distance of 148.52' feet and a central angle of 66°00'33"; thence
(42) along an arc curving to the right having a radius of 335.00' a distance of 141.07' feet and a central angle of 24°07'41"; thence
(43) South 09°25'24" East a distance of 228.54' feet; thence
(44) South 10°02'30" East a distance of 180.75' feet to a point of curvature; thence
(45) along an arc curving to the left having a radius of 130.00' a distance of 100.00' feet and a central angle of 44°04'25"; thence
(46) along an arc curving to the left having a radius of 154.00' a distance of 60.36' and a central angle of 22°27'30"; thence
(47) South 19°44'18" East a distance of 86.81' feet to the northerly line of North Conduit Avenue; thence
along the northerly line of North Conduit Avenue in a westerly direction (48) along an arc curving to the right having a radius of 1375.30' a distance of 379.80' feet and a central angle of 15°49'22"; thence
(49) South 81°31'49" West a distance of 151.31' feet; thence
(50) South 79°25'12" West a distance of 149.59' feet; thence
(51) South 80°38'48" West a distance of 0.82' feet; thence
(52) South 49°18'31" East a distance of 703.35' feet along a bridge that crosses over the Southern Parkway to the southerly line of the Southern Parkway, which is also the northerly line of John F. Kennedy International Airport; thence
(53) North 76°26'23" East a distance of 334.19' feet to a point of curvature; thence
(54) along an arc curving to the right having a radius of 1958.00' a distance of 243.51' feet and a central angle of 7°07'32"; thence
(55) North 83°33'53" East a distance of 406.86' feet to a point of curvature; thence
(56) along an arc curving to the left having a radius of 2530.00' a distance of 980.02' feet and a central angle of 22°11 '38"; thence
(57) North 61°22'14" East a distance of 543.78' feet; thence
(58) North 69°37'14" East a distance of 100.33' feet; thence
(59) North 69°26'50" East a distance of 1420.99' feet to a point of curvature; thence
(60) along an arc curving to the right having a radius of 4970.00' a distance of 541.25' feet and a central angle of 6°14'23"; thence
(61) North 75°41'13" East a distance of 155.61' feet to a point of curvature; thence
(62) along an arc curving to the left having a radius of 530.00' a distance of 220.74' feet and a central angle of 23°51'47"; thence
(63) North 51°49°27" East a distance of 473.01 feet to a point of curvature; thence
(64) along an arc curving to the left having a radius of 1520.00' a distance of 325.19' feet and a central angle of 12°15'28"; thence
(65) South 15°44'22" East a distance of 623.68' feet; thence
(66) North 74°15'38" East a distance of 1380.00' feet; thence
(67) North 15°44'22" West a distance of 1619.13' feet; thence
(68) North 52°18'11" East a distance of 535.40' feet; thence
(69) North 79°46'53" East a distance of 410.00' feet a point on a non tangent curve; thence
(70) along an arc curving to the right having a radius of 2324.00' a distance of 138.14' feet and a central angle of 3°24'23"; thence
(71) North 88°35'38" East a distance of 96.00' feet to a point on a non tangent curve; thence
(72) along an arc curving to the left having a radius of 593.00' a distance of 276.49' feet and a central angle of 26°42'51" to a point on a non tangent curve; thence

(73) along an arc curving to the right having a radius of 1528.00' a distance of 122.57' feet and a central angle of 4°35'46"; thence
(74) along an arc curving to the right having a radius of 728.00' a distance of 559.11' and a central angle of 44°00'13"; thence
(75) South 36°17'01" West a distance of 153.60' feet; thence
(76) South 53°42'58" East a distance of 168.00' feet; thence
(77) North 36°17'01" East a distance of 682.30' feet to a point of curvature; thence
(78) along an arc curving to the right having a radius of 243.59' a distance of 111.67' feet and a central angle of 26°16'00"; thence
(79) North 60°24°18" East a distance of 267.10' feet to a point of curvature; thence
(80) along an arc curving to the left having a radius of 673.35' a distance of 566.35' feet and a central angle of 48°11°29"; thence
(81) North 12°12'52" East a distance of 654.62' feet to a point of curvature; thence
(82) along an arc curving to the right having a radius of 1918.64' a distance of 143.36' feet and a central angle of 4°16'52"; thence
(83) along an arc curving to the right having a radius of 394.38' a distance of 357.98' feet and a central angle of 52°00'31"; thence
(84) along an arc curving to the right having a radius of 15224.42' a distance of 783.66' feet and a central angle of 2°56'57"; thence
(85) along an arc curving to the right having a radius of 1130.14' a distance of 196.96' feet and a central angle of 9°59'07"; thence
(86) North 81°26'18" East a distance of 462.33' feet to a point of curvature; thence
(87) along an arc curving to the left having a radius of 1050.00' a distance of 243.96' feet and a central angle of 13°18'44"; thence
(88) North 66°07'45" East a distance of 838.03' feet to a non tangent curve; thence
(89) along an arc curving to the right having a radius of 785.00' a distance of 85.84' feet and a central angle of 6°15'55"; thence
(90) along an arc curving to the right having a radius of 2124.25' a distance of 549.65' feet and a central angle of 14°49'31"; thence
(91) along an arc curving to the right having a radius of 6404.00' a distance of 2025.33' feet and a central angle of 18°07'13"; thence
(92) along an arc curving to the right having a radius of 46486.00' a distance of 441.80' feet and a central angle of 0°32'40"; thence
(93) South 75°37'41" East a distance of 202.52' feet to a non tangent curve; thence
(94) along an arc curving to the left having a radius of 46450.77' a distance of 82.84' feet and a central angle of 0°06'08" to a point of reverse curvature; thence
(95) along an arc curving to the right having a radius of 12860.50' a distance of 1512.64' feet and a central angle of 6°44°20"; thence
(96) North 5°47'21" East a distance of 23.88' feet to a point; thence
(97) South 82°12'20" East a distance of 482.52' feet to a point of curvature; thence
(98) along an arc curving to the left having a radius of 2631.00' a distance of 569.30' feet and a central angle of 12°23'52"; thence
(99) South 00°36'07" East a distance of 202.16' feet to a point on a non tangent curve; thence
(100) along an arc curving to the left having a radius of 1225.65' a distance of 294.73' feet and a central angle of 13°46°40"; thence
(101) along an arc curving to the left having a radius of 3369.00' a distance of 1620.86' feet and a central angle of 27°33'56"; thence
(102) North 84°22'06" East a distance of 773.64' feet to a point of curvature; thence
(103) along an arc curving to the right having a radius of 4564.98' a distance of 665.86' feet and a central angle of 81°38'40"; thence
(104) North 31°39'01" East a distance of 315.42'; thence
(105) South 82°24'03" East a distance of 2351.46'; thence
(106) South 10°10'50" West a distance of 217.68' feet to a point on a non tangent curve'; thence
(107) along an arc curving to the right having a radius of 27481.50' a distance of 184.04' feet and a central angle of 00°23'01" to a point of curvature; thence

(108) along an arc curving to the right having a radius of 4806.26' a distance of 1641.80' feet and a central angle of 19°34'19" to a point; thence
(109) South 61°29'50" East a distance of 400.00' feet to a point of curvature; thence
(110) along an arc curving to the right having a radius of 2740.00' a distance of 330.00' feet and a central angle of 6°54'02"; thence
(111) South 54°35'48" East a distance of 224.00' feet to a point of curvature'; thence
(112) along an arc curving to the left having a radius of 960.00' a distance of 523.97' feet and a central angle of 31°16'19" to the westerly line of Brookville Boulevard; thence
(113) South 9°35'56" West a distance of 4.13' feet to a point; thence
(114) South 25°09'35" West a distance of 902.88' feet to a point; thence
(115) South 18°36'15" East a distance of 747.65' feet to the U.S. Pierhead and Bulkhead line; thence
(116) South 34°16'50" West a distance of 4552.86' feet to a point; thence
(117) South 01°39'00" West a distance of 927.26' feet to a point; thence
(118) South 34°16'50" West a distance of 1328.27' feet to a point; thence
(119) South 33°31 '36" East a distance of 540.01' feet to a point; thence
(120) South 34°16'50" West a distance of 1191.74 ' feet to a point; thence
(121) South 01°39'00" West a distance of 2166.56' feet to a point; thence
(122) North 88°21'00" West a distance of 100.00' feet to a point; thence
(123) North 01°39'00" East a distance of 2010.38' feet to a point; thence
(124) South 34°16'50" West a distance of 201.26' feet to a point; thence
(125) North 88°21'00" West a distance of 1067.27' feet to a point; thence
(126) North 43°21 '00" West a distance of 724.02' feet to a point; thence
(127) North 87°43'49" West a distance of 1014.56' feet to a point; thence
(128) South 01°39'00" West a distance of 2784.30' feet to a point; thence
(129) North 88°21'58" West a distance of 1037.50' feet to a point; thence
(130) North 01°39'00" East a distance of 721.00' feet to a point; thence
(131) North 46°21 '00" East a distance of 337.64' feet to a point; thence
(132) North 01°39'00" East a distance of 1831.95' feet to a point; thence
(133) North 87°43'49" West a distance of 3165.43' feet to a point; thence
(134) South 31°39'00" West a distance of 1908.81 ' feet to a point; thence
(135) North 58°21 '00" West a distance of 100.00' feet to a point; thence
(136) North 31°39'00" East a distance of 1852.51' feet to a point; thence
(137) North 87°43'49" West a distance of 7655.58' feet to the point and place of beginning.

Containing 172,521,401.09 square feet or 3960.55 acres.

The coordinates and bearings hereinabove mentioned refer to the 10th Avenue Meridian as established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

Together with the Aqueduct Parcel, as described in Exhibit B-1.

Together with the portions of the Light Rail System more particularly described as follows:

JFK AIR TRAIN RIGHT OF WAY PREMISES INCLUDED IN THE AMENDED AND RESTATED AGREEMENT OF LEASE OF THE MUNICIPAL AIR TERMINALS BETWEEN THE CITY OF NEW YORK, AS LANDLORD, AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, AS TENANT, DATED AS OF NOVEMBER 24, 2004

A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or

Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR- (402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;

2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;

3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;

5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);

6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as Tax Block 9990, Tax Lot 5, Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S.

Together with the appurtenances and all the estate and rights in and to said premises.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

DEMISED PREMISES
LA GUARDIA AIRPORT

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point on the northerly line of the Grand Central Parkway, the coordinates of said point being South 28503.87 East 31015.83 and running thence;
(1) North 11°16'29" East a distance of 458.89' to a point; thence
(2) North 88°44'45" East a distance of 460.98' to a point; thence
(3) North 11°16'29" East a distance of 1100.00' to a point; thence
(4) North 18°29'24" East a distance of 20.77' to a point; thence
(5) South 86°41 '51" East a distance of 220.00' to a point; thence
(6) North 18°27'15" East a distance of 258.99' to a point; thence
(7) North 86°41'13" West a distance of 220.00' to a point; thence
(8) North 18°27'15" East a distance of 360.20' to a point; thence
(9) North 03°05'15" East a distance of 800.00' to a point; thence
(10) North 50°30'13" West a distance of 298.21' to a point; thence
(11) North 86°54'45" West a distance of 750.00' to a point; thence
(12) South 38°44'34" West a distance of 283.06' to a point; thence
(13) North 86°54'45" West a distance of 5408.51' to a point; thence
(14) South 51°18'36" West a distance of 4540.72' to a point; thence
(15) South 13°51 '22" West a distance of 1080.58' to a point; thence
(16) North 76°08'37" West a distance of 470.04' to a point; thence
(17) South 13°51 '22" West a distance of 870.00' to the northerly line of 19th Avenue; thence

along the northerly line of 19th Avenue (18) South 76°08'37" East a distance of 1075.04' to a point of curvature; thence
(19) along an arc curving to the left, having a radius of 681.03' a distance of 322.10' and a central angle of 27°05'56"; thence
(20) North 76°45'26" East a distance of 942.63' to the easterly line of 81st Street; thence
along the easterly line of 81st Street (21) South 36°54'45" East a distance of 1476.44' to a point of curvature; thence
(22) along an arc curving to the left, having a radius of 50.00' a distance of 51.23' and a central angle of 58°42'26" to a point of reverse curvature; thence
(23) along an arc curving to the right, having a radius of 165.00' a distance of 154.85' and a central angle of 53°46'14" to a point; thence
(24) South 41°50'57" East a distance of 505.03' to a point on a non tangent curve on the northerly line of the Grand Central Parkway; thence
along the northerly line of the Grand Central Parkway (25) along an arc curving to the left, having a radius of 6257.00' a distance of 484.45' and a central angle of 4°26'10" to a point on a non tangent curve; thence
(26) along an arc curving to the left, having a radius of 1369.23' a distance of 80.80' and a central angle of 3°22'52" to a point; thence
(27) North 41°05'55" East a distance of 292.89' to a point of curvature; thence
(28) along an arc curving to the left, having a radius of 6350.00' a distance of 808.80' and a central angle of 7°17'52" to a point of curvature; thence
(29) along an arc curving to the left, having a radius of 2179.45' a distance of 482.18' and a central angle of 12°40'34" to a point of reverse curvature; thence
(30) along an arc curving to the right, having a radius of 2705.00' a distance of 1154.97' and a central angle of 24°27'50" to a point; thence
(31) North 17°48'51" East a distance of 100.64' to a point on a non tangent curve; thence
(32) along an arc curving to the right, having a radius of 2743.00' a distance of 733.52' and a central angle of 15°19'18" to a point; thence
(33) North 65°09'17" East a distance of 414.40' to a point; thence
(34) North 73°19'26" East a distance of 194.16' to a point; thence
(35) North 72°17'26" East a distance of 655.31' to a point of curvature; thence
(36) along an arc curving to the right, having a radius of 2362.00' a distance of 813.92' and a central angle of 19°44'38" to a point of curvature; thence
(37) along an arc curving to the right, having a radius of 9711.30' a distance of 1147.99' and a central angle of 6°46'23" to a point of curvature; thence
(38) along an arc curving to the right, having a radius of 9711.30' a distance of 342.94' and a central angle of 2°01'24" to a point; thence
(39) South 68°45'22" East a distance of 685.00' to the point and place of beginning.

Containing 33,290,055.46 square feet or 764.23 acres.

The coordinates and bearings hereinabove mentioned refer to the 10th Avenue Meridian as established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

EXHIBIT-B1
AQUEDUCT PARCEL

FEE PARCEL

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Commencing at a point on the northerly side of North Conduit Avenue, said point being the following courses and distances from the corner formed by the intersection of the northerly side of North Conduit Avenue and the westerly side of 114th Street (60 feet wide), South 59°31'52" West 298.32 feet, South 64°52'32" West 337.76 feet to a point of curvature; thence southwesterly along the northerly side of North Conduit Avenue as it curves having a radius of 1375.30 feet a distance of 19.97 feet to the true point or place of beginning; running thence
southwesterly along an arc curving to the right having a radius of 1375.30 feet a distance of 379.80 feet a central angle of 15°49'23" to a point of tangency; thence
the following courses and distances along the northerly side of North Conduit Avenue:
South 81°31'49" West 151.31 feet; thence
South 79e°25'12" West 149.59 feet; thence
South 80°38'48" West a distance of 0.82' feet to the easterly side of a bridge; thence
South 49°18'31" East a distance of 703.35' feet along a bridge that crosses over the Southern Parkway to the southerly line of the Southern Parkway; thence
South 76°26'23" West along the southerly line of the Southern Parkway a distance of 46.88' feet to the westerly side of the bridge; thence
North 49°18'31" East a distance of 707.83' feet along a bridge that crosses over the Southern Parkway to the northerly side of North Conduit Avenue; thence
along the northerly side of North Conduit Avenue, South 80°38'48" West a distance of 62.17' feet to the easterly side of the long island rail road; thence
the following courses and distances along the easterly side of the land of the long island rail road:
North 12°11'48" West 0.83 feet to a point; thence
North 49°16'48" West 33.17 feet to a point; thence
North 12°11'48" West 8.29 feet to a point; thence
North 49°16'48" West 1248.25 feet to a point; thence
North 45°49'23" West 165.84 feet to a point; thence
North 44°15'09" West 62.04 feet to a point; thence
North 44°15'09" West 17.86 feet to a point; thence
the following courses and distances:
North 45°44'51" East 24.11 feet to a point; thence
North 28°15'57" East 115.64 feet to a point; thence
North 72°38'36" East 386.70 feet to a point of curvature; thence
along an arc curving to the right, having a radius of 95.00 feet a distance of 107.33 feet and a central angle of 64°43'50" to a point of tangency; thence
South 42°37'34" East 54.55 feet
South 44°42'27" East 131.39 feet to a point of curvature; thence
along an arc curving to the left having a radius of 505.00 feet a distance of 51.31 feet and a central angle of 05°49'17" to a point of tangency; thence
South 50°31"44" East 46.47 feet to a point of curvature; thence
along an arc curving to the left having a radius of 115.00 feet a distance of 37.08 feet and a central angle of 15°59'03" to the point of tangency; thence
South 66°30"47" East 153.69 feet to a point of curvature; thence
along an arc curving to the left having a radius of 615.00 feet a distance of 354.73 feet and a central angle of 33°02'52" to a point of tangency; thence
North 80°26'21" East 280.00' feet to a point of curvature; thence
along an arc curving to the right having a radius of 129.00 feet a distance of 148.52 feet and a central angle of 66°00'33" to a point of compound curvature; thence

running along an arc curving to the right having a radius of 335.00 feet a distance of 141.07 feet and a central angle of 24°07'41" to a point of tangency; thence
South 09°25'24" East 228.54 feet; thence
South 10°02'30" East 180.75 feet to a point of curvature; thence
along an arc curving to the left having a radius of 130.00 feet a distance of 100.00 feet and a central angle of 44°04'25" to a point of compound curvature; thence
along an arc curving to the left having a radius of 154.00 feet a distance of 60.36 feet and a central angle of 22°27'30" to a non tangent point; thence
South 19°44'18" East 86.81 feet to the point or place of beginning.

Containing 1,131,352.78 square feet or 25.97 acres.

EASEMENT TO PORT AUTHORITY

All that certain plot, piece or parcel of land lying and being in the Borough of Queens, City and State of New York bounded and described as follows:

Commencing at a point on the northerly side of North Conduit Avenue, said point being the following courses and distances from the corner formed by the intersection of the northerly side of North Conduit Avenue and the westerly side of 114th street (60 feet wide), South 59°31'52" West 298.32 feet, South 64°52'32" West 337.76 feet to a point of curvature; thence southwesterly along the northerly side of North Conduit Avenue as it curves having a radius of 1375.30 feet a distance of 19.97 feet to the true point or place of beginning;

running thence southwesterly along an arc curving to the right having a radius of 1375.30 feet a distance of 156.31 feet and a central angle of 6°30'43" to a point; thence the following courses and distances:

North 01°28'49" West a distance of 153.78 feet to a point; thence
North 08°59'31" West a distance of 269.03 feet to a point; thence
North 09°25'24" West a distance of 228.45 feet to a point of curvature; thence
northwesterly along, an arc curving to the left having a radius of 310.00 feet a distance of 130.55 feet and a central angle of 24°07'41" to a point of compound curvature; thence
northwesterly along an arc curving to the left having a radius of 104.00 feet a distance of 119.82 feet a central angle of 66°00'33" to a point of tangency; thence
South 80°26'21" West a distance of 280.00 feet to a point of curvature; thence
northwesterly along an arc curving to the right having a radius of 640.00 feet a distance of 369.15 feet and a central angle of 33°02'52" to a point of tangency; thence
North 66°30'47" West a distance of 153.69 feet to a point of curvature; thence
northwesterly along an arc curving to the right having a radius of 140.00 feet a distance of 39.06 feet and a central angle of 15°59'03" to a point of tangency; thence
North 50°31"44" West a distance of 46.47 feet to a point of curvature; thence
northwesterly along an arc curving to the right having a radius of 530.00 feet a distance of 53.85 feet and a central angle of 5°49'17" to a point of tangency; thence
North 44°42'27" West a distance of 131.85 feet to a point; thence
North 42°37'34" West a distance of 55.00 feet to a point of curvature; thence
northwesterly along an arc curving to the left having a radius of 70.00 feet a distance of 57.62 feet and a central angle of 47°09'51" to a point; thence
South 00°12"35" West a distance of 20.27 feet to a point; thence
South 72°44'21" West a distance of 174.62 feet to a point; thence
North 17°21'24" West a distance of 22.30 feet to a point; thence
South 72°38'36" West a distance of 216.88 feet to a point; thence
South 28°15'57" West a distance of 85.50 feet to a point; thence
South 45°44'51" West a distance of 50.64 feet to a point; thence
North 44°15'09" West a distance of 17.86 feet to a point; thence

North 45°44'51" East a distance of 24.11 feet to a point; thence
North 28°15'57" East a distance of 115.64 feet to a point; thence
North 72°38'36" East a distance of 386.70 feet to a point of curvature; thence
southeasterly along an arc curving to the right having a radius of 95.00 feet a distance of 107.33 feet and a central angle of 64°43'50" to a point of tangency; thence
South 42°37'34" East a distance of 54.55 feet to a point; thence
South 44°42'27" East a distance of 131.39 feet to a point of curvature; thence
southeasterly along an arc curving to the left having a radius of 505.00 feet a distance of 51.31 feet and a central angle of 5°49'17" to a point of tangency; thence
South 50°31'44" East a distance of 46.47 feet to a point of curvature; thence
southeasterly along an arc curving to the left having a radius of 115.00 feet a distance of 32.08 feet and a central angle of 15°59'03" to a point of tangency; thence
South 66°30'47" East a distance of 153.69 feet to a point of curvature; thence
southeasterly along an arc curving to the left having a radius of 615.00 feet a distance of 354.73 feet and a central angle of 33°02'52" to a point of tangency; thence
North 80°26'21" East a distance of 280.00 feet to a point of curvature; thence
southeasterly along an arc curving to the right having a radius of 129.00 feet a distance of 148.62 feet and a central angle of 66°00'33" to a point of compound curvature; thence
southeasterly along an arc curving to the right having a radius of 335.00 feet a distance of 141.07 feet and a central angle of 24°07'41" to a point of tangency; thence
South 09°25'24" East a distance of 228.54 feet to a point; thence
South 10°02'30" East a distance of 180.75 feet to a point of curvature; thence
southeasterly along an arc curving to the left having a radius of 130.00 feet a distance of 100.00 feet a central angle of 44°04'25" to a point of compound curvature; thence
southeasterly along an arc curving to the left having a radius of 154.00 feet a distance of 60.36 feet and a central angle of22°27'30" to a non tangent point; thence
South 19°44'18" East a distance of 86.81 feet to the point or place of beginning.

Containing 85,005.33 square feet or 1.95 acres more or less.

EASEMENT TO NEW YORK RACING ASSOCIATION

All that certain plot, piece or parcel of land lying and being in the Borough of Queens, City and State of New York bounded and described as follows:

Commencing at a point on the northerly side of North Conduit Avenue, said point being the following courses and distances from the corner formed by the intersection of the northerly side of North Conduit Avenue and the westerly side of 114th Street (60 feet wide), South 59°31'52" West 298.32 feet, South 64°52'32" West 337.76 feet to a point of curvature; thence southwesterly along the northerly side of North Conduit Avenue as it curves having a radius of 1375.30 feet a distance of 176.28 feet to the true point or place of beginning; running thence
southwesterly along an arc curving to the right having a radius of 1375.30 feet a distance of 223.49 feet and a central angle of 9°18'39" to a point of tangency; thence
the following courses and distances along the northerly side of North Conduit Avenue:
South 81°31'49" West a distance of 151.31 feet; thence
South 79°25'12" West a distance of 149.59 feet; thence
South 80°38'48" West a distance of 112.62' feet to the easterly side of the Long Island Railroad; thence
the following courses and distances along the easterly side of the land of the Long Island Railroad:
North 12°11'48" West a distance of 0.83 feet to a point; thence
North 49°16'48" West a distance of 33.17 feet to a point; thence
North 12°11'48" West a distance of 8.29 feet to a point; thence
North 49°16'48" West a distance of 1248.25 feet to a point; thence

North 45°49'23" West a distance of 165.84 feet to a point; thence
North 44°15'09" West a distance of 62.04 feet to a point; thence
the following courses and distances:
North 45°44'51" East a distance of 50.64 feet to a point; thence
South 48°53'09" East a distance of 810.07 feet to a point; thence
South 48°14'53" East a distance of 322.84 feet to a point of curvature; thence
along an arc curving to the left having a radius of 94.00 feet a distance of 74.77 feet and a central angle of 45°34'28" to a point of reverse curvature; thence
along an arc curving to the right having a radius of 120.00 feet a distance of 82.10 feet and a central angle of 39°12'01" to a point of tangency; thence
South 54°37'16" East a distance of 260.00 feet to a point of curvature; thence
along an arc curving to the left having a radius of 94.00 feet a distance of 70.03 feet and a central angle of 42°40'59" to a point of tangency; thence
North 82°41'45" East a distance of 58.00 feet to a point; thence
North 80°29'41" East a distance of 291.24 feet to a point of curvature; thence
along an arc curving to the left having a radius of 120.00 feet a distance of 171.69 feet and a central angle of 81°58'32" to a non tangent point; thence
South 1°28'46" East a distance of 138.09 feet to the point or place of beginning.

Containing 142,726.26 square feet or 3.28 acres more or less.

AQUEDUCT BRIDGE

Commencing at a point on the easterly right of way line of the Long Island Railroad where it intersects the southerly line of the Southern Parkway, said line also being the northerly line of John F. Kennedy International Airport, running along the last mentioned line North 76°26'23" East a distance of 15.00 feet to the westerly line of a bridge and the true point and place of beginning; running thence
North 49°18'31" West a distance of 707.83' feet along the westerly line of a bridge that crosses over the Southern Parkway to the northerly side of North Conduit Avenue; thence
North 80°38'48" West a distance of 50.47 feet along the northerly side of North Conduit Avenue to the easterly side of the bridge; thence
South 49°18'31" East a distance of 703.35' feet along the easterly side of the bridge that crosses over the Southern Parkway to the southerly line of the Southern Parkway; thence
South 76°26'23" West along the southerly line of the Southern Parkway a distance of 46.88' feet to the westerly side of the bridge and the true point or place of beginning.

Having a lower limiting plane at the bottom of the lowest element of the highway bridge and appurtenances, together with: columns, piers, walls, trusses, footings and abutments, if any, necessary for the support of such bridge and no upper limiting plane.

EXHIBIT B-2
BOWERY BAY PARCEL

All that certain plot, piece or parcel of land situate lying and being in the borough and county of Queens, in the City and State of New York, more particularly bounded and described as follows:

Beginning at a point which is the intersection of the easterly line of 45th Street and the northerly line of 19th Avenue the coordinates of which are South 29878.17 East 21002.59 running thence in an easterly direction along the northerly line of 19th Avenue South 76°08'37" East a distance of 1075.04' to a point of curvature; thence along an arc having a radius of 681.03' feet curving to the left a distance of 322.11' feet a total angle of 27°05'57" to a point; continuing thence along the northerly line of 19th Avenue North 76°45'26" East a distance of 942.64' to the lands of La Guardia Airport and also the easterly line of 81st Street; thence in a northerly direction through the lands of La Guardia Airport, North 36°54'45" West a distance of 153.82' thence continuing still through the lands of La Guardia Airport in an easterly direction North 53°05'15" East a distance of 1520.00'; thence in a northerly direction still through the lands of La Guardia Airport North, 36°54'45" West a distance of 2166.75' to the Rikers Island Channel; thence South 51°18'36" West a distance of 1509.89'; thence South 13°51'22" West a distance of 1080.58'; North 76°08'35" West a distance of 470.04'; thence South 13°51'22" West a distance of 870.01' to the point and place of beginning.

Containing 5,557,063.55 square feet or 127.57 acres.

The coordinates and bearings hereinabove mentioned refer to the 10th Avenue Meridian as established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" east of true north.

EXHIBIT B-3
EXISTING HORIZONTAL SURFACE, CONICAL SURFACE, PRIMARY SURFACE, APPROACH SURFACE AND TRANSITIONAL SURFACE

JOHN F. KENNEDY AIRPORT

RUNWAY PROTECTION ZONE AT RUNWAY 13 RIGHT / 31 LEFT
Beginning at a point on the centerline extended of runway 13 right / 31 left distant 200 feet West of the end of said runway, the coordinates of which are South 59877.98 East 62708.22; running thence
1. South 1°39'00" West a distance 500.00 feet to a point; thence
2. South 83°07'09" West a distance 2527.97 feet to a point; thence
3. North 1°39'00" East a distance of 1750.00 feet to a point; thence
4. South 79°49'09" East a distance of 2527.97 feet to a point; thence
5. South 1°39'00" West a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 31 LEFT / 13 RIGHT
Beginning at a point on the centerline extended of runway 13 right/ 31 left distant 200 feet East of the end of said runway, the coordinates of which are South 60310.04 East 77707.13; running thence
1. North 1°39'00" East a distance of 500.00 feet to a point; thence
2. North 83°07'09" East a distance of 2527.97 feet to a point; thence
3. South 1°39'00" West a distance of 1750.00 feet to a point; thence
4. North 79°49'09" West a distance of 2527.97 feet to a point; thence
5. North 1°39'00" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 4 LEFT / 22 RIGHT
Beginning at a point on the centerline extended of runway 4 left / 22 right distant 200 feet South of the end of said runway, the coordinates of which are South 64277.61 East 75151.88; running thence
1. South 88°21'00" East a distance of 500.00 feet to a point; thence
2. South 06°52'51" East a distance of 2527.97 feet to a point; thence
3. North 88°21'00" West a distance 1750.00 feet to a point; thence
4. North 10°10'51" East a distance of 2527.97 feet to a point; thence
5. South 88°21'00" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 22 RIGHT / 4 LEFT
Beginning at a point on the centerline extended of runway 22 right / 4 left distant 200 feet North of the end of said runway, the coordinates of which are South 52521.30 East 75490.53; running thence
1. North 88°21'00" West a distance 500.00 feet to a point; thence
2. North 6°52'51" West a distance 2527.97 feet to a point; thence
3. South 88°21'00" East a distance of 1750.00 feet to a point; thence
4. South 10°10'51" West a distance 2527.97 feet to a point; thence
5. North 88°21'00" West a distance 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 4 RIGHT / 22 LEFT

Beginning at a point on the centerline extended of runway 4 right / 22 left distant 200 feet South of the end of said runway, the coordinates of which are South 61124.30 East 78246.21; running thence

1. South 88°21'00" East a distance of 500.00 feet to a point; thence
2. South 6°52'51" East a distance of 2527.97 feet to a point; thence
3. North 88°21'00" West a distance 1750.00 feet to a point; thence
4. North 10°10'51" East a distance of 2527.97 feet to a point; thence
5. South 88°21'00" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 22 LEFT / 4 RIGHT

Beginning at a point on the centerline extended of runway 22 left / 4 right distant 200 feet North of the end of said runway, the coordinates of which are South 52327.86 East 78499.60; running thence

1. North 88°21'00" West a distance 500.00 feet to a point; thence
2. North 6°52'51" West a distance 2527.97 feet to a point; thence
3. South 88°21'00" East a distance of 1750.00 feet to a point; thence
4. South 10°10'51" West a distance 2527.97 feet to a point; thence
5. North 88°21'00" West a distance 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 13 LEFT / 31 RIGHT

Beginning at a point on the centerline extended of runway 13 left / 31 right distant 200 feet West of the end of said runway, the coordinates of which are South 53310.29 East 67495.51; running thence

1. South 1°39'00" West a distance 500.00 feet to a point; thence
2. South 83°07'09" West a distance 2527.97 feet to a point; thence
3. North 1°39'00" East a distance of 1750.00 feet to a point; thence
4. South 79°49'09" East a distance of 2527.97 feet to a point; thence
5. South 1°39'00" West a distance 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 31 RIGHT / 13 LEFT

Beginning at a point on the centerline extended of runway 31 right / 13 left distant 200 feet East of the end of said runway, the coordinates of which are South 53609.74 East 77890.87; running thence

1. North 1°39'00" East a distance of 500.00 feet to a point; thence
2. North 83°07'09" East a distance of 2527.97 feet to a point; thence
3. South 1°39'00" West a distance 1750.00 feet to a point; thence
4. North 79°49'09" West a distance 2527.97 feet to a point; thence
5. North 1°39'00" East a distance of 500.00 feet to the point or place of beginning.

MIDDLE MARKER PARCEL

Beginning at a point in the prolongation southwardly of the center line of proposed runway 'v' of New York International Airport, distant South 1°39' West 3475.00 feet thereon from the southerly end of said runway, the coordinates of said point being South 64,396.89, East 78,149.69 an running thence (1) South 88°21' east, 50.00 feet to a point, the coordinates of said point being South 64,398.33, East 78,199.67; thence (2) South 1°39' west, parallel with said center line of runway prolonged, distant 50.00 feet southeastwardly therefrom, measured at right angles thereto, 100.00 feet to a point, the coordinates of said point being South 64,498.29, East 78,196.79; thence (3) North 88°21' west, 100.00 feet to a point, the coordinates of said point being South 64,495.41, East 78,096.83; thence (4) North 1°39' east, parallel with said center line

of runway prolonged, distant 50.00 feet northwestwardly therefrom, measured at right angles thereto, 100.00 feet to a point, the coordinates of said point being South 64,395.45, East 78,099.71; thence (5) South 88°21' east, 50.00 feet to the point and place of beginning, the area whereof is 0.23 acres more or less.

La Guardia AIRPORT

RUNWAY PROTECTION ZONE AT RUNWAY 31/13
Beginning at a point on the centerline extended of Runway 31/13 distant 200 feet east of the end of said runway, the coordinates of which are South 25944.04 East 31450.26; running thence

1. North 03-05'14" East a distance of 500.00 feet to a point; thence
2. North 84-33'24" East a distance of 2527.97 feet to a point; thence
3. South 03-05'14" West a distance of 1750.00 feet to a point; thence
4. North 78-22'55" West a distance of 2527.97 feet to a point; thence
5. North 03-05'14" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 13/31
Beginning at a point on the centerline extended of Runway 13/31 distant 200 feet west of the end of said runway, the coordinates of which are South 25545.42 East 24059.68; running thence

1. South 03-05'14" West a distance of 500.00 feet to a point; thence
2. South 84-33'24" West a distance of 2527.97 feet to a point; thence
3. North 03-05'14" East a distance of 1750.00 feet to a point; thence
4. South 78-22'55" East a distance of 2527.97 feet to a point; thence
5. South 03-05'14" West a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 4/22
Beginning at a point on the centerline extended of Runway 4/22 distant 200 feet south of the end of said runway, the coordinates of which are South 30491.60 East 25225.58; running thence

1. South 86-54'45" East a distance of 500.00 feet to a point; thence
2. South 05-26'35" East a distance of 2527.97 feet to a point; thence
3. North 86-54'45" West a distance of 1750.00 feet to a point; thence
4. North 11-37'06" East a distance of 2527.97 feet to a point; thence
5. South 86-54'45" East a distance of 500.00 feet to the point or place of beginning.

RUNWAY PROTECTION ZONE AT RUNWAY 22/4
Beginning at a point on the centerline extended of Runway 22/4 distant 200 feet north of the end of said runway, the coordinates of which are South 23300.77 East 25613.46; running thence

1. North 86-54'45" West a distance of 500.00 feet to a point; thence
2. North 05-26'35" West a distance of 2527.97 feet to a point; thence
3. South 86-54'45" East a distance of 1750.00 feet to a point; thence
4. South 11-37'06" West a distance of 2527.97 feet to a point; thence
5. North 86-54'45" West a distance of 500.00 feet to the point or place of beginning.

EXHIBIT B-4
AVIGATIONAL EASEMENT AREAS

LA GUARDIA AIRPORT – LA GUARDIA AVIGATIONAL EASEMENTAREAS
PARCEL A1

Beginning at a point which is the intersection of the easterly line of 78th Street (60.00 feet wide) with the southerly line of 25th Avenue (70.00 feet wide) and running thence (1) eastwardly, along said southerly line of 25th Avenue, 200.00 feet to the westerly line of 79th Street (60.00 feet wide); thence (2) southwardly, along said westerly line of 79th Street, at right angles to the preceding course, 192.82 feet to a point distant 100.00 feet southeastwardly from the center line prolonged of runway 4-22 of La Guardia Airport, measured at right angles thereto; thence (3) southwardly, parallel with said center line of runway, distant 100.00 feet southeastwardly therefrom, measured at right angles thereto and along a line which makes an interior angle of 139°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 angle to said southerly line of 25th Avenue, 167.08 feet to the point and place of beginning.

Being the premises known as lot 1 and part of lot 14 in block 1055, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A2

Beginning at a point which is the intersection of the easterly line of 79th Street (60.00 feet wide) with the southerly line of 25th Avenue (70.00 feet wide) and running thence (1) eastwardly along said southerly line of 25th Avenue, at right angles to said easterly line of 79th Street, 101.86 feet to a point distant 100.00 feet southeastwardly from the center line prolonged of runway 4-22 of La Guardia Airport, measured at right angles thereto; thence (2) southwestwardly, parallel with said center line of runway, distant 100.00 feet southeastwardly therefrom, measured at right angles thereto along the easterly line of lands acquired by the Port of New York Authority in a condemnation proceeding vesting title on June 6, 1956 and along a line which makes an interior angle of 49°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 A3

Beginning at a point which is the intersection of the northerly line of 25th Avenue (70.00 feet wide) with the easterly line of 79th Street (60.00 feet wide) and running thence (1) northwardly, along said easterly line of 79th Street, at right angles to said northerly line of 25th Avenue, 450.00 feet to the northerly line of lands conveyed by Arde Bulova to the Port of New York Authority by deed dated July 2, 1956 and recorded on July 9, 1956 in the register's office of Queens county in liber 6891 of deeds at page 645 therein; thence (2) eastwardly, at right angles to the preceding course and along said northerly line of lands conveyed by Arde Bulova as aforesaid, 53.75 feet to the easterly line of lands conveyed by Arde Bulova as aforesaid; thence (3) southwardly, along said easterly line of lands conveyed by Arde Bulova as aforesaid and along a line which makes an interior angle of 112°46'03" with the preceding course, 108.45 feet to the northerly line of lands conveyed by Clara Maurer to the Port of New York Authority by deed dated June 12, 1956 and recorded on June 12, 1956 in the register's office of Queens county in liber 6883 of deeds at page 632 therein; thence (4) eastwardly, along said northerly line of lands conveyed by Clara Maurer as aforesaid and along a line which makes an interior angle of 247°13'57" with the preceding course, 104.28 feet to the westerly line of 80th Street (60.00 feet wide); thence (5) southwardly, along said westerly line of 80th Street, at right angles to the preceding course, 350.00 feet to the corner formed by the intersection of said westerly line of 80th Street with said northerly line of 25th Avenue; thence (6) westwardly, along said northerly line of 25th Avenue, at right angles to the preceding course, 200.00 feet to the point and place of beginning.

Being the premises known as lots 18, 20, 22, 24 and part of 32, in block 1043, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A4

Beginning at a point in the easterly line of 80th Street (60.00 feet wide) distant 125.00 feet northwardly thereon from the corner formed by the intersection of said easterly line of 80th Street with the northerly line of 25th Avenue (70.00 feet wide) said point lying in the southerly line of lands conveyed by John & Christine Harvan to the Port of New York Authority by deed dated June 14, 1956 and recorded in the register's office of Queens county on June 15, 1956 in liber 6884 of deeds at page 528 therein and running thence (1) northwardly, along said easterly line of 80th Street, 375.00 feet to the northerly flue of lands conveyed by Wilhelmina Kobryn to the Port of New York Authority by deed dated July 10, 1956 and recorded in the register's office of Queens county on July 12, 1956 in liber 6892 of deeds at page 627 therein; thence (2) eastwardly, along said northerly line of lands conveyed by Wilhelmina Kobryn as aforesaid, 100.00 feet to the westerly line of lands acquired by the Port of New York Authority in condemnation proceeding in which title vested on June 6, 1956; thence (3) northwardly, along said westerly line of lands acquired as aforesaid, 100.00 feet to the southerly line of 24th Avenue (70.00 feet wide); thence (4) eastwardly, along said southerly line of 24th Avenue, 100.00 feet to the corner formed, by the intersection of said southerly line of 24th Avenue with the westerly line of 81st Street (60.00 feet wide); thence (5) southwardly, along said westerly line of 81st Street, 325.00 feet to the southerly line of lands conveyed by Ellen Shelby to the Port of New York Authority by deed dated June 27, 1956 and recorded in the register's office of Queens county on June 28, 1956 in liber 6888 of deeds at page 231 therein; thence (6) westwardly, along said southerly line of lauds 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 A5

Beginning at a point which is the intersection of the southerly line of 24th Avenue (70.00 feet wide) with the easterly line of 81st Street (60.00 feet wide) and running thence (1) eastwardly, along said southerly line of 24th Avenue, 125.00 feet to the easterly line of lands acquired by the Port of New York Authority in a condemnation proceeding in which title vested on June 6, 1956; thence (2) southwardly along said easterly line of lands acquired as aforesaid, 100.00 feet to a southerly line of lands acquired as aforesaid; thence (3) westwardly, along said southerly line of lands acquired as aforesaid, 25.00 feet to the center line of the block and another easterly line of lands acquired by condemnation as aforesaid; thence (4) southwardly, along said lands acquired by condemnation and along the easterly line of lands conveyed by Andrew Haurylak by deed dated September 28, 1956 and recorded in the register's office of Queens county on September 28, 1956 in liber 6916 at page 83 therein, 75.00 feet to the southerly line of lands conveyed by Andrew Haurylak aforesaid; thence (5) westwardly, along said southerly line of lands conveyed by Andrew Haurylak,100.00 feet to said easterly line of 81st Street; thence (6) northwardly, along said easterly line of 81st Street, 175.00 feet to the point and place of beginning.

Being the premises known as lots 1, 2, 3, 4, 57, 58 and 59, in block 1045, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A6

Beginning at a point which is the intersection of the westerly line of 82rid Street (60.00 feet wide) with the northerly line of Astoria Boulevard (130.00 feet wide) and running thence (1) westwardly, along said northerly line of Astoria Boulevard, 99.31 feet to the westerly line of lands conveyed by Stephen, Electra, George and Eftalia Milonas to the Port of New York Authority by deed dated February 1, 1957 and recorded in the register's office of Queens county on February 5, 1957 in liber 6950 of deeds at page 112 therein; thence (2) northwardly, along said westerly line of lands conveyed as aforesaid and along the westerly line of lands acquired by the Port of New York Authority by condemnation in a proceeding vesting title on June 6, 1956, 58.01 feet to the northerly line of lands acquired by condemnation as aforesaid; thence (3) eastwardly, along said northerly line of lands acquired by condemnation as aforesaid, 25.00 feet to the westerly line of lands conveyed by Caroline Dupree to the Port of New York Authority by deed dated August 29, 1956 and recorded in the register's office of Queens county on August 31, 1956 in liber 6907 at page 458 therein; thence (4) northwardly, along said westerly line of lands conveyed by Caroline Dupree as aforesaid, 75.00 feet to the northerly line of lands so conveyed by Caroline Dupree; thence (5) eastwardly, along said northerly line of lands conveyed by Caroline Dupree as aforesaid, 47.04 feet to said westerly line of 82nd Street; thence (6) southwardly along said westerly line of 82nd Street, 179.70 feet to the point and place of beginning.

Being the premises known as lots 30, 33, and 40, in block 1034, section 7 of the tax map of the City for the Borough of Queens.

Excepting so much as was taken for the widenings of Astoria Blvd. & 82nd St.

PARCEL A7

Beginning at a point which is the intersection of the easterly line of 81st Street with the southerly line of Grand Central Parkway as now in use and running thence eastwardly along an arc curving to the left having a radius of 294.00 feet a distance of 45.89 feet and a central angle of 8°56'36" to a point of compound curvatures; thence along arc curving to the left having a radius of 356.00 feet a distance of 77.82 feet and a central angle of 12°31'28" to the westerly line of 82nd Street thence southwardly, along said westerly line of 82nd Street south 44°02'43" east a distance of 146.11 feet to a point; thence westwardly, south 53°05'15" west a distance of 40.78' to a point; thence northwardly north36°54'45" west a distance of 45.98' to a point; thence westwardly south 53°37'33" west a distance of 100.00' to the easterly line of 81st Street; thence northwardly along the easterly line of 81st Street north 36°54'45" west a distance of 112.59 feet to the point and place of beginning.

Being the premises known as lot 1 in block 1034, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A8

Beginning at a point which is the intersection of the easterly line of 82nd Street with the northerly line of Astoria Boulevard and running thence (1) northwardly, along said easterly line of 82nd Street, north 44 degrees 02 minutes 43.5 seconds west a distance of 415.70 feet to the southerly line of Ditmars Boulevard; thence (2) eastwardly along said southerly line of Ditmars Boulevard, north 45 degrees 29 minutes 41 seconds east, a distance of 239.97 feet to the westerly line of 83rd Street; thence (3) southwardly, along said westerly line of 83rd Street, south 36 degrees 54 minutes 45 seconds east a distance of 311.95 feet to a point; thence (4) westwardly, south 53 degrees 05 minutes 15 seconds west a distance of 107.29 feet to a point; thence (5) south 45 degrees 49 minutes 18 seconds east a distance of 173.89 feet to said northerly line of Astoria Boulevard, thence (6) westwardly along said northerly line of Astoria Boulevard south 73 degrees 34 minutes seven seconds west a distance of 113.04 feet to the point and place of beginning.

Being the premises known as lots 24, 26, 27, 28, 29, 32, 43, 46, 49, 50, 51, 53, 55 and 59 in block 1077, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A9

Beginning at a point which is the intersection of the easterly line of 83rd Street with the southerly line of Ditmars Boulevard running along said southerly line of Ditmars Boulevard north 45 degrees 29 minutes 41 seconds east a distance of 464.07 feet to the westerly line of 85th Street; thence along the westerly side of 85th Street south 36 degrees 54 minutes 45 seconds east 214.89 feet to a point; thence south 53 degrees 05 minutes 15 seconds west a distance of 360.00 feet to a point; thence south 36 degrees 54 minutes 45 seconds east a distance of 41.38 feet to a point; thence south 53 degrees 05 minutes 15 seconds west a distance of 100.00 feet to a point on the easterly side of 83rd Street; thence northerly along the easterly side of 83rd Street, north 36 degrees 54 minutes 45 seconds west a distance of 194.95 feet to the point and place of beginning.

Being the premises known as lots 60 and 62, in block 1078, section 7 of the tax map of the City for the Borough of Queens.

PARCEL A10

All those lots, pieces or parcels of land, with the buildings and improvements, if any, thereon, situate, lying and belong in the borough and county of Queens, City and State of New York, known and designated on a certain map entitled "Map of Property Belonging to Valentine Klein, situate in the 2nd ward of the Borough of Queens, New York City surveyed September 1919, by Walter I. Browne, C.E. & C.S.", and filed or intended to be filed in the office of the clerk of the county of Queens as and by the lots #25 and 26, which said lots according to said map are bounded and described as follows:

Beginning at a point on the westerly side of 82nd Street (formerly 25th Street) distant northerly 299.35 feet from the corner formed by the intersection of the westerly side of 82nd Street and the northeasterly side of Astoria Boulevard (formerly Astoria Avenue); running thence westerly and at right angles to said 82nd Street, 100 feet; thence northerly and parallel with said 82nd Street, 45.98 feet to lands now or formerly of the estate of Garrett Kowenhoven, deceased; thence easterly along said lands 100 feet to the westerly side of 82nd Street, thence southerly along the westerly side of 82nd Street a distance of 45.98 feet to the point or place of beginning.

Being the premises also known and designated as and by the lot #25, block 1034 of section 7 as shown on the tax map of the county of Queens.

PARCEL A11

All that certain plot, piece or parcel of lands with the buildings and improvements thereon erected, situate, known on a certain map entitled, "map of property belonging to Valentine Klein", situate in the 2nd ward, borough of Queens, New York City, surveyed September 1919 by Walter I. Browne, C.E. & C.S., and filed in the Queens county office 11/11/1919, as and by lots nos. 34 and 35, which said lots with reference to said map are more particularly bounded and described as follows:

Beginning at the corner formed by the intersection of the northeasterly side of Astoria Boulevard with the easterly side of 81st street; thence running northerly along said easterly side of 81st street, 30.00 feet to a point; thence easterly, at right angles 50 feet to a point; thence southerly and parallel with said 81st street a distance of 48.67 feet to a point on the northerly line of Astoria Boulevard; thence westerly along said northerly side of Astoria Boulevard a distance of 53.37 feet to the point or place of beginning.

JOHN F. KENNEDY INTERNATIONAL AIRPORT
JFK AVIGATIONAL EASEMENT AREAS

PARCEL 8A
All that certain plot, piece or parcel of land, with the buildings and improvements thereon, situate in the borough and county of Queens, City and State of New York, bounded and described as follows: Beginning at a point distant 55.63 feet northwesterly from the corner of a park formed by the intersection of International Airport Center Boulevard (formerly Rockaway Boulevard) with the Nassau Expressway as mapped by the City of New York, borough of Queens topographical bureau on map no. 4954, the coordinates of said point being South 50816.36 East 74747.66; running thence
North 06°07'43" West a distance of 1580.00 feet to a point; thence
North 69°23'24" East a distance of 132.00 feet to a point; thence
South 33°17'26" East a distance of 10.00 feet to a point; thence
North 69°23'24" East a distance of 260.00 feet to a point; thence
North 20°33'29" West a distance of 6.00 feet to a point; thence

North 78°00'59" East a distance of 518.00 feet to a point; thence
South 03°26'28" East a distance of 22.00 feet to a point; thence
North 87°25'48" East a distance of 220.00 feet to a point; thence
South 02°34'12" East a distance of 78.00 feet to a point; thence
North 87°25'48" East a distance of 130.00 feet to a point; thence
South 02°34'12" East a distance of 120.00 feet to a point; thence
North 73°02'49" East a distance of 660.00 feet to a point; thence
South 02°57'27" East a distance of 1368.87 feet to a point on a non tangent curve; thence
along an arc curving to the left having a radius of 5934.00 feet a distance of 143.35 feet and a central angle of 1°23'03" to a non tangent point; thence
South 10°10'51" West a distance of 635.24 feet to a point on the northerly side of International Airport Center Boulevard; thence
along International Airport Center Boulevard North 82°24'03" West a distance of 1528.34 feet to the point or place of beginning.

Containing 3,236,272.42 square feet or 74.29 acres more or less.

PARCEL 8B

All that certain plot, piece or parcel of land, with the buildings and improvements thereon, situate in the borough and county of Queens, City and State of New York, bounded and described as follows: Beginning at a point which is the intersection of the extension of the centerline of 215th Street (60 foot width) as shown on the "map of Jamaica Gardens south, 4th ward, borough of Queens, New York city" surveyed Feb. 1, 1924 by Evans Bros., and filed as map #4507 in the register's office, Queens county, with the extension of the center line of 149th Avenue (80 foot width) as shown on said map of Jamaica Gardens south, the coordinates of said point being South 49370.15 East 77527.85; and running thence (1) southwardly, along said center line of 215th Street and the extension thereof South 02°55'44" East a distance of 1045.80 to a point on a non tangent curve; thence
along an arc curving to the right having a radius of 5880.00 feet a distance of 192.62 feet and a central angle of 1°52'37"to a point; thence
South 06°52'51" East a distance of 796.00 feet to a point on the northerly side of International Airport Center Boulevard (formerly Rockaway Boulevard); thence
easterly along the northerly side of International Airport Center Boulevard South 82°24'03" East a distance of 1603.02 feet to a point; thence
North 02°55'44" West a distance of 1370.00 feet to a point; thence
North 87°04'16" East a distance of 265.00 feet to a point; thence
North 02°55'44" West a distance of 424.19 feet to a point on a curve on the westerly side of Brookville Boulevard; thence
northerly on the westerly side of Brookville Boulevard along an arc curving to the left having a radius of 300.00 feet a distance of 92.24 feet and a central angle of 17°37'02" to a point of tangency; thence
North 55°57'07" West a distance of 134.20 feet to a point of curvature; thence
along an arc curving to the right having a radius of 565.39 feet a distance of 276.95 feet and a central angle of 28l°03'57" to a point of tangency; thence
North 27°53'10" West a distance of 270.47 feet to a point; thence
South 64°13'58" West a distance of 589.70 feet to a point; thence
South 87°04'16" West a distance of 1083.44 feet to the point or place of beginning.

Containing 3,683,144.82 square feet or 84.55 acres more or less.

Parcels 8A and 8B Subject to and subordinate to the rights to use the following parcels for street or highway purposes, more particularly described as follows:

PARCEL 8A
Nassau Expressway Right of Way

All that certain plot, piece or parcel of land, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

Beginning at a point distant 55.63 feet northwesterly from the corner of a park formed by the intersection of International Airport Center Boulevard (formerly Rockaway Boulevard) with the Nassau Expressway as mapped by the City of New York, borough of Queens topographical bureau on map no. 4954, the coordinates of said point being South 50816.36 East 74747.66;
Running thence, North 06°07'43" West a distance of 506.92 feet to a point on a non tangent curve; thence along an arc curving to the right having a radius of 4847.00 feet a distance of 1876.62 feet and a central angle of 22°11'00" to a point; thence South 02°57'27" East a distance of 194.09 feet to a point on a non tanget curve; thence along an arc curving to the left having a radius of 4653.00 feet a distance of 1447.40 feet and a central angle of 17°49'22" to a non tangent point; thence South 22°48'25" East a distance of 241.53 feet to a point; thence South 79°08'27" West a distance of 384.98 feet to a point; thence North 03°04'25" West a distance of 189.19 feet to a point; thence North 82°24'03" West a distance of 55.63 feet to the point and place of beginning.

Containing 458,799.72 square feet or 10.53 acres more or less.

PARCEL 8B
Nassau Expressway Right of Way

All that certain plot, piece or parcel of land, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

Beginning at a point on the easterly line of Parcel 8B distant northerly 964.59 feet from the intersection of International Airport Center Boulevard (formerly Rockaway Boulevard) and said easterly line of Parcel 8B, the coordinates of said point being South 50481.21 East 79406.91;
Running thence, North 02°55'44" West a distance of 223.85' to a point on a non tangent curve; thence along an arc curving to the left having a radius of 6847.00 feet a distance of 1902.29 feet and a central angle of 15°55'06" to a point; thence
South 02°55'44" East a distance of 196.14 feet to a point on a non tangent curve; thence along an arc curving to the right having a radius of 6653.00 feet a distance of 1538.97 feet and a central angle of 13°15'13" to a point of compound curvature; thence along an arc curving to the right having a radius of 3500.00 feet a distance of 373.06 feet and a central angle of 6°06'26" to the point or place and place of beginning.

Containing 370,706.17 square feet or 8.51 acres more or less.

PARCEL 8C
All that certain plot, piece or parcel of land, situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

Beginning at a point on the easterly line of Parcel 8B distant northerly 404.64 feet from the intersection of International Airport Center Boulevard (formerly Rockaway Boulevard) and said easterly line of Parcel 8B, the coordinates of said point being South 51040.46 East 79434.94;

Running thence;
North 30°18'16" East a distance of 158.55' feet to a point; thence
North 83°05'40" West a distance of 87.60' feet to the easterly line of Parcel 8B; thence
South 02°42'14" East a distance of 147.58' feet to the point and place of beginning.

Containing 6,373.49 square feet or 0.15 acres more or less.

PARCEL 9
JOHN F. KENNEDY INTERNATIONAL AIRPORT
PUBLIC PLACE EASEMENT AREA

The right to install or permit the installation by the federal aviation agency of aids to avigation in and upon the following described strip of property:
All that certain plot, piece or parcel of land situate and being, in the borough and county of Queens, City and State of New York, more particularly bounded and described as follows:'b055 place of a parcel of land 400 feet wide and approximately 2300 feet long being 200 feet on each side of a center line drawn between points a and b, more particularly described as follows:

Point A: Being the point of intersection of the easterly line of Brookville Boulevard with the westerly line of Public Place as shown on map 4445 approved by the board of estimate August 25, 1966. The coordinates of said point having the values of South 50073.247 and East 80011.861.

Point B: Being a point in the westerly line of Huxley Street distant 310.00 feet northerly thereon from the intersection of said westerly line of Huxley Street with the northerly line of Hook Creek Basin as shown on map 4445 approved by the board of estimate August 25, 1966. The coordinates of said point having the values of South 48672.492 and East 81881.320.

The coordinates and bearings hereinabove mentioned in the description in this item refer to the rectangular system of coordinates established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

EXHIBIT B-5
JFK NORTHERN OFF - AIRPORT PARCELS

PARCEL 1
Beginning at a point on the southerly line of Southern Parkway distant 989.58 feet westerly from the corner formed by the intersection of the southerly side of Southern Parkway with the westerly side of 153rd Place; thence westerly along the southerly side of Southern Parkway as the same bends, the following two distances 1352.41 feet and 1174.71 feet to a point where the southerly side of Southern Parkway intersects the easterly side of Van Wyck Expressway; thence southerly along the easterly side of Van Wyck Expressway; on a curve to the left having a radius of 1212.00 feet; a central angle 18°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 of 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 of 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 general 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 one curve to the right having a 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 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.

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 970.00 feet, a central angle of 6°14'22.9" a distance of 541.25 feet to a point; thence easterly on a straight line 155.61 feet to a point; thence easterly on a curve to the left, having a radius of 530.00 feet, a central angle of 23°51'46", a distance of 220.74 feet to a point; thence easterly on a straight line 473.01 feet to a point; thence still easterly on a curve to the left having a radius of 1520.00 feet, a central angle of 12°15'28.4" a distance of 325.19 feet to the westerly side of 130th street 56.32 feet to its intersection with the southerly side of 152nd Avenue; thence westerly along the southerly side of 152nd Avenue 1560 feet to the westerly side of 124th street; thence northerly at right angles to the last mentioned course 316.34 feet to the point beginning.

PARCEL 3

Beginning at a point on the southerly side of Southern Parkway where it intersects the easterly side of 134th street; thence easterly along the southerly side of Southern Parkway in a straight line 139.18 feet to a point; thence in a straight line along the southerly side of Southern Parkway, said line deflecting 27°56'39.1" to the right 48.56 feet to a point of curvature; thence on a curve to the right having a radius of 612.00 feet a central angle of 18°18'58.9" a distance of 195.65 feet to a point; thence continuing on a curve to the right having a radius of 2512.00 feet, a central angle of 9°16'50.0" a distance of 406.88 feet to a point; thence westerly in a straight line, said line deflecting 161°08'25" to the right 171.09 feet to a point; thence in a straight line, said line deflecting 27°14'15.4" to the left 535.40 feet to a point on the easterly side of 134th street; thence northerly along the easterly side of 134th street 523.29 feet to the point or place of beginning.

PARCEL 4

Beginning at a point on the southerly side of South Conduit Avenue, where it intersect the southerly side of Rockaway Boulevard, said point having the coordinates of South 49120.15 East 68583.50; running thence

southwesterly along the southerly side of South Conduit Avenue
South 55°48'11" West a distance of 1831.53 feet to a point; thence
South 55°26'19" West a distance of 80.00 feet to a point; thence
South 55°24'50" West a distance of 724.33 feet to a point; thence
South 22°45'03" East a distance of 861.44 feet to a point; thence
North 66°07'45" East a distance of 838.03' feet to a non tangent curve; thence
along an arc curving to the right having a radius of 785.00' a distance of 85.84' feet and a central angle of 6°15'55"; thence
along an arc curving to the right having a radius of 2124.25' a distance of 549.65' feet and a central angle of 14°49'31"; thence
along an arc curving to the right having a radius of 6404.00' a distance of 2025.33' feet and a central angle of 18°07'13"; thence
along an arc curving to the right having a radius of 46486.00' a distance of 441.80' feet and a central angle of 0°32'40"; thence
South 75°37'41" East a distance of 202.52' feet to a non tangent curve; thence
along an arc curving to the left having a radius of 46450.77' a distance of 82.84' feet and a central angle of 0°06'08" to a point of reverse curvature; thence
along an arc curving to the right having a radius of 12860.50' a distance of 1512.64' feet and a central angle of 6°44°21"; thence
North 5°47'21" East a distance of 23.88' feet to a point; thence
South 82°12'20" East a distance of 482.52' feet to a point of curvature; thence
along an arc curving to the left having a radius of 2631.00' a distance of 1180.43' feet and a central angle of 25°42'23"; thence
North 72°05'04" East a distance of 117.65' feet to a point on the southerly side of Rockaway Boulevard; thence

along the southerly side of Rockaway Boulevard North 82°24'03" West a distance of 301.59 feet to a point; thence
North 84°12'39" West a distance of 2130.06 feet to a point; thence
along an arc curving to the right having a radius of 2001.29 feet a distance of 837.77 feet and a central angle of 23°59'05" to a point; thence
North 60°13'33" West a distance of 759.14 feet to a point; thence
South 27°00'00" West a distance of 209.39 feet to a point; thence
North 63°00'00" West a distance of 100.00 feet to a point; thence
North 27°00'00" East a distance of 214.24 feet to a point; thence
North 60°13'33" West a distance of 208.80 feet to a point; thence
North 63°13'08" West a distance of 1518.34 feet to the point and place of beginning.

PARCEL 5
Beginning at a point on the southerly side of International Airport Center Boulevard (formerly Rockaway Boulevard), said point having the coordinates of South 50844.33 East 74075.83; running thence
South 72°05'04" West a distance of 117.65 feet to a point of curvature; thence
along an arc curving to the right having a radius of 2631.00 feet a distance of 611.76 feet and a central angle of 13°19'20" to a non tangent point; thence
South 00°36'07" East a distance of 202.16 feet to a point of curvature; thence
along an arc curving to the left having a radius of 1225.65 feet a distance of 294.73 feet and a central angle of 13°46'40" to a point of compound curvature; thence
along an arc curving to the left having a radius of 3369.00 feet a distance of 1620.86 feet and a central angle of 27°33'56" to a point; thence
North 84°22'06" East a distance of 773.64 feet to a point of curvature; thence
along an arc curving to the right having a radius of 4564.98 feet a distance of 665.86 feet and a central angle of 8°38'40" to a point; thence
North 31°39'01" East a distance of 315.42 feet to a point on the southerly side of International Airport Center Boulevard; thence
westerly along International Airport Center Boulevard North 82°24'03" West a distance of 2763.26 feet to the point and place of beginning.

Containing 1,653,953.14 square feet or 37.97 acres more or less.

PARCEL 6
Beginning at a point on the southerly side of International Airport Center Boulevard (formerly Rockaway Boulevard), said point having the coordinates of South 51519.77 East 79145.82; running thence
South 10°10'51" West a distance of 217.68 feet to a point on a non tangent curve; thence
along an arc curving to the right having a radius of 27481.50 feet a distance of 184.04 feet and a central angle of 00°23'01" to a point of compound curvature; thence
along an arc curving to the right having a radius of 4806.26 feet a distance of 1641.80 feet and a central angle of 19°34'19" to a point of tangency; thence
South 61°29'50" East a distance of 400.00 feet to a point of curvature; thence
along an arc curving to the right having a radius of 2740.00 feet a distance of 330.00 feet and a central angle of 6°54'02" to a point of tangency; thence
South 54°35'48" East a distance of 224.00 feet to a point of curvature; thence
along an arc curving to the left having a radius of 960.00 feet a distance of 523.97 feet and a central angle of 31°16'19" to the westerly side of Brookville Boulevard; thence
northerly along the westerly side of Brookville Boulevard North 9°35'56" West a distance of 160.66 feet to an angle point; thence
North 10°01'59" West a distance of 320.58 feet to the southerly side of International Airport Center Boulevard; thence

westerly along International Airport Center Boulevard North 66°25'00" West a distance of 1802.18 feet to a point of curvature; thence
along an arc curving to the left having a radius of 1893.00 feet a distance of 528.10 feet and a central angle of 15°59'03" to
a point of tangency; thence
North 82°24'03" West a distance of 757.10 feet to the point and place of beginning.

Containing 1,012,484.46 square feet or 23.24 acres more or less.

EXHIBIT B-6
DESCRIPTION OF HEIGHT AND USE RESTRICTED PROPERTIES

PROPERTY 1 (LGA – Blk 3576 p/o Lot 1)

All that certain piece or parcel of land and premises, situate, lying and being in the Borough and county of Bronx, in the City and State of New York, between Havemeyer and Zerega Avenues and between Randall and Seward Avenues, more particularly bounded and described as follows:

All that certain piece or parcel of land and premises, situate, lying and being in the Borough and county of Bronx, in the City and State of New York, between Havemeyer and Zerega Avenues and between Randall and Seward Avenues, more particularly bounded and described as follows:

Commencing at a point which is the intersection of the easterly line of Havemeyer Avenue (80 feet in width) with the northerly line of Randall Avenue 80 feet in width) and running thence northwardly, along said easterly line of Havemeyer Avenue, 500.00 feet to true point and place of beginning;
Running thence North 10°02'55" West a distance of 200.00' along the said easterly line of Havemeyer Avenue to the the southerly line of Seward Avenue (80 feet in width); thence along said southerly line of said Seward Avenue, North 79°57'14" East a distance of 780.08 feet to the westerly line of Zerega Avenue (80 feet in width); thence along said westerly line of Zerega Avenue South 10°02'55" East 200.00 feet to a point ; thence through Block 3576, Lot 1 along the northerly boundary line now or formerly of The Home Depot, South 79°57'14" West a distance of 780.08' feet to the point and place of beginning.

Containing 156,016 square feet or 3.58 acres more or less.

PROPERTY 2 (JFK)

All that certain plot, piece or parcel of land, situate, lying and being in the fifth ward of the borough and county of Queens, City and State of New York, bounded and described as follows:
Beginning at the northeasterly corner of Barbadoes Basin, as same is determined by the United States Pierhead and Bulkhead lines, running thence along the northerly line of Barbadoes basin, as so determined, North 57 degrees, 21 minutes West 1039.70 feet, thence continuing along same, North 46 degrees 27 minutes West 416 feet to the bulkhead of Brant Channel or Jamaica Bay, thence along said last mentioned bulkhead the following courses and distances, (1) North 8 degrees, 47 minutes East 21 feet, (2) North 35 degrees, 30 minutes East 880 feet, (3) North 77 degrees 7 minutes East 44.50 feet; (4) South 50 degrees 54 minutes East 808.70 feet, (5) South 21 degrees 6 minutes East 255.90 feet, (6) South 3 degrees, 6 minutes West 228.60 feet, (7) South 70 degrees 14 minutes West 168 feet to the corner of a basin, running thence southwesterly through a point on the northeasterly side of Amstel Boulevard (60 feet wide) which point is distant 30.08 feet southeasterly from the corner formed by the intersection of the southeasterly side of Crugers Road with the northeasterly side of Amstel Boulevard, to a point in the centre line of said Amstel Boulevard, thence southeasterly along said centre line of said Amstel Boulevard to a point where same is intersected by a line drawn northerly at right angles to the southerly side of Amstel Boulevard (80 feet wide) from a point thereon distant 161.86 feet westerly from the westerly side of Beach 75th street; thence southerly at right angles to the southerly side of Amstel Boulevard (80 feet wide) 40 feet more or less to a point thereon distant 161.86 feet westerly from the westerly side of Beach 75th street and running thence southerly 158.85 feet to the point or place of beginning.

Together with all right, title and interest of the City of New York of, in and to the land lying in the bed of streets in front of and adjoining the above described premises to the center lines thereof.

Together with all of the right, title and interest of the City of New York of, in and to the lands under the waters of Brant Channel and Jamaica Bay, in front of and adjacent to the above described premises, so far as said right, title and interest may extend.

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

PROPERTY 3 (JFK)

3A

All that certain plot, piece or parcel of land, situate, lying and being. in the 5th ward of the borough and county of Queens, City and State of New York shown and designated on the tax map of the borough of Queens in the 5th ward, as lot block 459, as said tax map was on October 22, 1951, and being more particularly bounded described as follows:

Beginning at the corner formed by the intersection of the northerly side of DeCosta Avenue, 50 feet wide, with the easterly side of Beach 63rd street, 60 feet wide; thence northerly along the easterly side of Beach 63rd street, 500 feet to the high water line of Jamaica Bay, as said high water line was fixed, determined upon and established by agreement recorded in the city register's office of Queens county in liber 2171 of conveyances page 381, and by agreement recorded in said office in liber 2238 of conveyances page 10; said high water line being distant 100 feet southerly from U.S. Pierhead and Bulkhead line; thence easterly along said high waterline of Jamaica Bay above referenced to and at right angles to the last described course, 33.99 feet to an angle point; thence northeasterly still along said high water line of Jamaica Bay above referred to, said line being parallel with U.S. Pierhead & Bulkhead line and being distant 100 feet southeasterly therefrom, a distance of 2108.33 feet; thence southeasterly at right angles to the last described course, 437.61 feet; thence southwesterly at right angles to the last described course, 100 feet; thence southwesterly in a straight line in continuation of the last described course, and along U.S. Pierhead and Bulkhead line, 350 feet; thence southwesterly along a line which on its northwest side forms an interior angle of 207 degrees 00 minutes 04.7 seconds with the last described course, and along the U.S. Pierhead & Bulkhead line, 440.52 feet; thence southwesterly along a line which on its northwesterly side forms an interior angle of 152 degrees 59 minutes 55.3 seconds with the last described course, and along the U.S. Pierhead & Bulkhead line, 927.50 feet; thence southwesterly along a line which on its northwesterly side forms an interior angle of 209 degrees 03 minutes 16.6 seconds with the last described course, and along the U.S. Pierhead & Bulkhead line, 218.57 feet to the northerly side of DeCosta Avenue, 50 feet wide; thence westerly along the northerly side of DeCosta Avenue, 50 feet wide, 603.95 feet to the point or place of beginning.

3B

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:
Beginning at a point which is the intersection of the easterly line of Beach 65th Street (60 feet in width) with the northerly line of Bayfield Avenue (60 feet in width; Running thence, northwardly, along said easterly line of Beach 65th Street, 95.00 feet to a point; thence eastwardly 260.00 feet to a point; thence northwardly, 145.00 feet to a point; thence eastwardly, 200.00 feet to the westerly side of Beach 63rd Street (60 feet in width); thence southwardly along said westerly line of said of Beach 63rd Street, 240.00 feet to the northerly line of Bayfield Avenue; thence westwardly along the northerly line of Bayfield Avenue 460.00 feet to the point and place of beginning.

Containing 72,700 square feet or 1.67 acres.

Being the premises known as Lot 1, in Block 16017, Section 61 Of the Tax Map of the City for the Borough of Queens.

Subject to any state of facts which an accurate survey may show.

EXHIBIT B- 7
LA GUARDIA ACCESS BRIDGES AND ROADWAYS

GRAND CENTRAL PARKWAY SERVICE ROAD CONNECTION

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point on a curve of the northerly line of the Grand Central Parkway, the coordinates of said point being South 27786.72 East 28150.13 and running thence;
in an easterly direction along an arc curving to the right on the northerly line of the Grand Central Parkway, which is also the southerly boundary line of La Guardia Airport, the radius of which is 2362.00' feet a distance of 21.76' feet and having a total angle of 0°31'40" to a non tangent point of curvature; thence
in a southerly direction along an arc curving to the right, the radius of which is 60.00' feet a distance of 83.41' feet and having a total angle of 79°39'08" to a point on a compound curve; thence
along an arc curving to the right, the radius of which is 100.00' feet a distance of 30.33' feet and having a total angle of 17°22'44" to a point; thence
South 79°46'38" West a distance of 12.47' feet to a point; thence
North 10°13'22" West a distance of 18.27' feet to a point, thence
North 79°46'38" East a distance of 6.81' to a point of curvature; thence
along an arc curving to the left, the radius of which is 65.00' feet a distance of 44.15' feet and having a total angle of 38°54'53" to a point on a compound curve; thence
along an arc curving to the left, the radius of which is 40.00' feet a distance of 42.67' feet and having a total angle of 61°07'05" to the point and place of beginning.

the coordinates and bearings hereinabove mentioned in the description refer to the rectangular system of coordinates established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

FLYOVER BRIDGE

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point on the northerly line of the Grand Central Parkway, the coordinates of said point being South 27861.05 East 27912.88 and running thence;
in an easterly direction along the northerly line of the Grand Central Parkway, which is also the southerly boundary line of La Guardia Airport and crossing the bridge of an exit ramp that services the airport, North 72°17'26" East a distance of 62.82' feet to a non tangent curve on the easterly line of the bridge; thence
along the bridge in a southwesterly direction along an arc curving to the right the radius of which is 520.00' feet a distance of 197.52' feet and having a total angle of 21°45'49" to a point on a compound curve; thence
westerly still along the line of said bridge, along an arc curving to the right the radius of which is 595.00' feet a distance of 305.19' feet and having a total angle of 29°23'17" to a point; thence
South 64°58'47" West a distance of 558.58' feet to a point of curvature; thence
along an arc curving to the left the radius of which is 1485.00' feet a distance of 21.72' feet and having a total angle of 0°50'17" to a point; thence
North 25°08'42" West a distance of 30.95' feet to a point; thence
in an easterly direction along the ramp that services the airport, North 64°58'47" East a distance of 503.47' feet to a point; thence
North 64°51'18" East a distance of 76.01' feet to a point of curvature; thence

along an arc curving to the left the radius of which is 486.42' feet a distance of 239.07' feet and having a total angle of 28°09'38" to compound curve; thence
along an arc curving to the left the radius of which is 500.15' feet a distance of 196.72' feet and having a total angle of 22°32'10" to the point and place of beginning.

Having a lower limiting plane at the bottom of the lowest element of the highway bridge and appurtenances, together with: columns, piers, walls, trusses, footings and abutments, if any, necessary for the support of such bridge and no upper limiting plane.

The coordinates and bearings hereinabove mentioned in the description refer to the rectangular system of coordinates established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" East of true north.

102ND STREET BRIDGE

All that certain plot, piece or parcel of land lying and being in the borough of Queens, City and State of New York bounded and described as follows:

Beginning at a point on a curve of the northerly line of the Grand Central Parkway, the coordinates of said point being South 27819.96 East 28932.98 and running thence;
in an easterly direction along an arc curving to the right on the northerly line of the Grand Central Parkway, which is also the southerly boundary line of La Guardia Airport, the radius of which is 2362.00' feet a distance of 19.27' feet and having a total angle of 0°28'03" to a compound curve; thence
along an arc curving to the right the radius of which is 9711.30' feet a distance of 41.83' feet and having a total angle of 0°14'48" to a point on the easterly line of a bridge of unknown title at 102nd Street; thence
southerly along the easterly line of said bridge, South 12°05'59" West a distance of 334.99' feet to a point of curvature; thence
along an arc curving to the left the radius of which is 197.00' feet a distance of 185.56' feet and having a total angle of 53°58'03" to a point; thence
North 77°54'06" West a distance of 190.36' feet to a non tangent point of curvature; thence
along an arc curving to the left the radius of which is 253.00' feet a distance of 174.29' feet and having a total angle of 39°28'16" to a point; thence
North 12°05'59" East a distance of 335.32' feet to the point and place of beginning.

Having a lower limiting plane at the bottom of the lowest element of the highway bridge and appurtenances, together with: columns, piers, walls, trusses, footings and abutments, if any, necessary for the support of such bridge and no upper limiting plane.

The coordinates and bearings hereinabove mentioned in the description refer to the rectangular system of coordinates established by the Topographical Bureau of the Borough of Queens, City of New York, grid North being 28°59'13.5" east of true north.

EXHIBIT B-8

DITMARS BOULEVARD UTILITY EASEMENT AREA

All that certain plot, piece or parcel of land, lying beneath the bed of Ditmars Blvd. situate in the Borough and County of Queens, City and State of New York, bounded and described as follows:

Beginning at a point which is the intersection of the easterly line of Ditmars Boulevard with the northerly side of the Grand Central Parkway and also being the boundary line of LaGuardia Airport, the coordinates of said point having the coordinates of South 31551.94 East 24690.65; Running thence, westerly along an arc curving to the right having a radius of 6257.00 feet a distance of 100.50 feet and a central angle of 0°55'13" along the northerly line of the Grand Central Parkway to a non tangent point on the westerly side of Ditmars Boulevard; then northerly along the westerly line of Ditmars Boulevard, North 41°50'57" West a distance of 466.83 to a point of curvature; thence along an arc curving to the left having a radius of 135.00 feet a distance of 105.53 feet and a central angle of 44°47'15.9" to a non tangent point on the easterly side of 81st Street; thence North 36°54'45" West a distance of 9.36 feet to a point; thence North 19°12'43" West a distance of 131.57 feet to a point on a non tangent curve on the easterly side of Ditmars Boulevard; thence southerly along an arc curving to the left having a radius of 50.00 feet a distance of 51.23 feet and a central angle of 58°42'26" to a point of reverse curvature; thence along an arc curving to the right having a radius of 165.00 feet a distance of 154.85 feet and a central angle of 53°46'14" to a point; thence South 41°50'57" East a distance of 505.03' to the point and place of beginning.

Containing 65,526.11 square feet or 1.50 acres more or less.

EXHIBIT C-1

(see attached)

QUITCLAIM DEED FROM CITY TO PORT AUTHORITY

THIS INDENTURE made as of November ____, 2004 between the CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (the "**City**"), and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of Congress with its office at 225 Park Avenue South, Borough of Manhattan, City, County and State of New York (the "**Port Authority**").

WITNESSETH THAT:

WHEREAS, the City and Port Authority intend to enter into an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated as of November ___, 2004 (the "Agreement"); and

WHEREAS, the City desires to dispose to the Port Authority any property interests it owns within (i) that portion of the Light Rail System that the Port Authority has acquired from the People of the State of New York acting by and through the Commissioner of Transportation ('State") by Grant of Permanent Easement made August 19, 2002, a copy of which is attached hereto and made a part hereof as Exhibit A and (ii) the property identified on the tax map of the City of New York as Lot 5, Block 9990, Borough of Queens; the Port Authority desires to convey to the City all property interests it has acquired within such portion of the Light Rail System ("LRS") and in Lot 5, Block 9990, Borough of Queens; and the City desires to accept such property interests and incorporate such property interests conveyed by the Port Authority to the City into the Demised Premises, as such term is defined in the Agreement, by leasing such property interests to the Port Authority under the Agreement; and

WHEREAS, City Planning Commission Resolution # C990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 have authorized such dispositions and acquisitions by the City and the Port Authority's Board of Commissioners has authorized such acquisitions and disposition by the Port Authority by Resolution adopted September 24, 1998.

NOW, THEREFORE, the City and the Port Authority do hereby agree as follows:

The City does hereby remise, release and quitclaim unto the Port Authority, its successors and assigns forever, all right, title and interest of the City, if any, in and to the Property which is described as follows:

A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which

are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;

2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;

3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck

Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;

5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);

6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as **Tax Block 9990, Tax Lot 5**, Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S., a copy of which is attached hereto as Exhibit B.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

Together with the appurtenances and all the estate and rights of the City in and to said premises.

To Have And To Hold the premises herein granted unto the Port Authority, the successors and assigns of the Port Authority forever.

The City, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The Port Authority hereby accepts the conveyance from the City.

No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Indenture or because of its execution or because of any breach or attempted or alleged breach hereof.

This Indenture may be executed in one or more counterparts each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

IN WITNESS WHEREOF, the City has caused its corporate seal to be hereunto affixed and duly attested and this Indenture to be signed by its Deputy Mayor for Economic Development and Rebuilding and by the City Clerk of the City; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, of the day and year first written above.

[NO FURTHER TEXT ON THIS PAGE]

Attest:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

_____
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

_____
Darrell Buchbinder,
General Counsel

THE CITY OF NEW YORK

By:

_____
City Clerk

By:

_____
Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

_____
Acting Corporation Counsel

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

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

_____
Notary Public

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

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

_____
Notary Public

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

On the ___day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT A

COPY OF GRANT OF PERMANENT EASEMENT
DATED AS OF AUGUST 19, 2002
FROM THE PEOPLE OF THE STATE OF NEW YORK

STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
HUNTERS POINT PLAZA
47-40 21ST STREET
LONG ISLAND CITY, N.Y. 11101

DOUGLAS A. CURREY, P.E.
REGIONAL DIRECTOR

SUBI CHAKRABORTI, P.E.
DEPUTY REGIONAL DIRECTOR

JOSEPH H. BOARDMAN
COMMISSIONER

September 18, 2002

Harry Barr, Esq.
The Port Authority of NY and NJ
Law Department, 14th floor
225 Park Avenue South
New York, NY 10003

Re: PIN
Proceeding 6105 02/7
AirTrain Easement
JFK-LRS Airport Access Program
Queens County

Dear Mr. Barr:

As mentioned to your secretary in a message to be conveyed to you, we have filed the maps and the Grant of Permanent Easement on the above project in the Queens County Registrar's office on September 17, 2002 and I will be hand delivering these maps and the Grant of Easement to your office next week.

Thank you.

Sincerely,

Gulrukh Irani

Gulrukh Irani
Real Estate Specialist Trainee 2

PA LAW DEPARTMENT
172198

REEL 6582 PG 0118

CITY REGISTER RECORDING AND ENDORSEMENT PAGE

COUNTY OF ▶ Queens

THIS PAGE FORMS PART OF THE INSTRUMENT

TOTAL NUMBER OF PAGES IN DOCUMENT INCLUDING THIS PAGE ▶

Block ▼	Lots - ONLY IF ENTIRE LOT ▼	Partial Lots ▼
14260	1	P/O

Premises ▼

Title/Agent Company Name ▼ NYSDOT

Title Company Number ▼

RECORD & RETURN TO:
NAME ▼ Harry K. Barr, Esq.
ADDRESS ▼ Port Authority of NY & NJ. Law Dept.
CITY ▼ STATE ▼ ZIP ▼ 225 Park Ave. S 14th Fl, NY NY-10003

NAME & ADDRESS
PARTY 1 ▶ N.Y. S. Department of Transportation
ADDITIONAL PARTY 1 ▶ 47-40 21st Street, L.I.C. NY - 11101
PARTY 2 ▶ Port Authority of NY & NJ.
ADDITIONAL PARTY 2 ▶ 225 Park Ave S 14th Fl, Law Dept, N.Y. NY-10003

FOLD

CHECK THIS BOX IF THERE ARE MORE THAN 2 OF EITHER PARTY ☐

CITY REGISTER'S USE ONLY - DO NOT WRITE BELOW THIS LINE

Examined by (✓): ✓

Mtge Tax Serial No.	
Mtge Amount	$
Taxable Amount	$
Exemption (✓)	YES ☐ NO ☐
Type: (CIRCLE ONE OF)	[339EE] [255] [OTHER]
Dwelling Type: (CIRCLE ONE OF)	[1 to 2] [3] [4 to 6] [OVER 6]

TAX RECEIVED ON ABOVE MORTGAGE ▼

County (basic)	$
City (Addt'l)	$
Spec Addt'l	$
TASF	$
MTA	$
NYCTA	$
TOTAL TAX	$
Apportionment Mortgage (✓)	YES ☐ NO ☐

City Register Serial Number ▶ 128065 easement

Indexed By (✓): BN

Verified By (✓):

Block(s) and Lot(s) verified by (✓): ✓

Address ☐ Tax Map ☑

Extra Block(s) Lot(s)

Recording Fee B	$ NO CHARGE
Affidavit Fee (C)	$
RPTT Fee (R)	$ NO CHARGE
HPD-A ☐	HPD-C ☐

New York State Real Estate Transfer Tax ▼ $ -0-

Serial Number ▶ 004445

New York City Real Property Transfer Tax Serial Number ▶ 022466

OTHER [illegible]
LO/TL [illegible]
4-1 [illegible]

FOLD

RECORDED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK

CRGFM89NLBPG 04/30

45-H-002

John Lariviere

REEL 6582 PG 0119

Proceeding 6105
AirTrain Easement
JFK-LRS Airport Access Program
Queens County

GRANT OF PERMANENT EASEMENT

Made the 19th day of August, 2002, between

THE PEOPLE OF THE STATE OF NEW YORK, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York, with offices at 1220 Washington Avenue, Albany, New York 12232, Grantors, and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic acting pursuant to authority conferred by the legislatures of the States of New York and New Jersey, with offices at 225 Park Avenue South, New York, New York 10003, Grantee,

WHEREAS, Grantee has constructed a Light Rail System designed to carry passengers, also referred to as AirTrain Facilities("LRS") within Kennedy International Airport ("JFK") with connections to the Jamaica Long Island Railroad/New York City Transit Authority Sutphin Boulevard Station ("Jamaica Station")and to the Howard Beach Subway Station; and

WHEREAS, the connection to the Jamaica Station requires the use of property lying between the boundary of JFK and the Jamaica Station including, but not limited to, the Van Wyck Expressway ("VWE"), for the LRS Project; and

WHEREAS, lands within the VWE are owned all or in part by the Grantors as part of the State Highway System under

jurisdiction of the New York State Department of Transportation ("NYSDOT"); and

WHEREAS, the parties hereto have entered into a Memorandum of Understanding which provides, among other things, that the Grantee will construct the LRS and as part of its project will make certain other improvements in the VWE for the benefit of the Grantors, and the Grantors will convey a grant of permanent easement rights in the VWE to the Grantee upon the terms and conditions hereinafter expressed; and

NOW THEREFORE the Grantors, in consideration of the sum of ONE AND NO/100 DOLLAR ($1.00), and other valuable consideration, do hereby remise, release and quitclaim unto the Grantee, its successors and assigns forever,

Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those **PIECES OR PARCELS OF PROPERTY**, situate in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR-402 through CR-415 of a series of maps entitled "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 through 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK" prepared by Vollmer Associates,

LLP, dated February 28, 2002, bearing Project Number 2001-003-03, and filed in the Office of the Register of Deeds, Queens County contemporaneously with the recording of this Grant of Permanent Easement.

1. With respect to each parcel designated as "Aerial Parcel" or "Aerial Easement", a permanent aerial easement for an elevated reinforced concrete platform supporting the LRS referred to herein as the "AirTrain Guideway," and for the LRS constructed thereon, including but not limited to appurtenant track, wires, switches, signals, drainage and other utility installations required for the operation of the LRS. Each aerial easement parcel is located within an elevated plane situate generally over the median area of the VWE separating the northbound and southbound lanes or the eastbound and westbound lanes, as the case may be, of the VWE and the first vehicular lane of the VWE located northerly or easterly of the median and the two vehicular travel lanes of the VWE located southerly or westerly of the median.

2. With respect to each parcel designated as "Column Parcel" or "Column Easement", a permanent surface easement for support of the AirTrain Guideway, including but not limited to appurtenant track, wire, switches, signals, drainage and utility installations.

3. With respect to each parcel designated as "Subsurface

Parcel" or "Subsurface Easement", a permanent subsurface easement for the construction of footings necessary for support of the columns supporting the AirTrain Guideway, the right to construct, install, and operate cables, wires, switches, signals, and other equipment appurtenant to electric and data transmission and the right to construct, install, operate and maintain drainage and utility facilities, including the right to connect to the existing highway drainage system.

RESERVING TO THE GRANTORS the legal right of access at grade level for the purpose of inspection, maintenance or repair of all State and/or New York City owned facilities, appurtenances or equipment or emergency repair or shoring of the LRS, if in the opinion of the Grantors, State facilities are endangered; and

IT IS FURTHER AGREED that inspection, maintenance, and/or repair of the LRS facility constructed by the Grantee within the State Highway System requiring access from the at-grade level will require a Permit from NYSDOT, but that inspection, maintenance, and/or repair work conducted from the elevated LRS/ AirTrain Guideway will not require a Permit issued by NYSDOT unless lane closures of the highway below are involved. The Permit for such work, which shall not be unreasonably withheld or delayed, shall be issued without charge and without requirements for bonds and shall otherwise contain standard terms and conditions.

PROVIDED HOWEVER, that the Grantee, its successors and assigns shall make no change in the clearance over the VWE or in the alignment or location of such LRS facilities, or additional facilities constructed, which will interfere with the VWE and its appurtenances or other facilities of the State of New York, its successors or assigns.

FURTHER PROVIDED, that if the easement rights created herein are no longer used for construction, reconstruction, operation and maintenance of an LRS operated for Air Terminal purposes, the easements shall automatically terminate and jurisdiction over the affected premises shall return to the NYSDOT.

This Grant of Permanent Easement contains certain language defining the scope, purpose and terms of the easements granted herein. The maps referred to in this Grant and which are intended to be filed contemporaneously with the recording of this Grant also contain certain language defining the scope, purpose and terms of such easements. The language contained in this Grant is intended to control the definition of these easements, and any inconsistency between the language describing the scope, purpose and terms of said easements contained on the maps and in this Grant, shall be controlled by the language of this Grant.

TO HAVE AND TO HOLD the permanent easement rights herein granted unto the Grantee, its successors and assigns forever, except as provided above.

IN WITNESS WHEREOF, the Grantors have caused this instrument to be signed by their duly authorized representative and the seal of the New York State Department of Transportation to be hereunto affixed.

THE PEOPLE OF THE STATE OF NEW YORK

BY: JOSEPH H. BOARDMAN
Commissioner of Transportation

BY: _____
RICHARD J. MORRIS
Director, Real Estate Division
Department of Transportation

State of New York)
) ss.:
County of Albany)

On the 19th day of August in the year 2002 before me, the undersigned, personally appeared Richard J. Morris, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public, State of New York

CHERYL M. DUPREY
Notary Public, State of New York
Qualified in Rensselaer County
No. 4650865
Commission Expires April 30, 2003

Approved as to form
and manner of execution.
ELIOT SPITZER
ATTORNEY GENERAL

By: _____
Gary von Bieberstein
Principal Attorney

JOHN F. KENNEDY INTERNATIONAL AIRPORT - AIRPORT ACCESS PROJECT - PROPERTY ACQUISITION

On May 9, 1996, the Board authorized a project (the "Project") for the implementation of an automated Light Rail System ("LRS") between Jamaica and John F. Kennedy International Airport ("JFK"), a link between Howard Beach and JFK, and an LRS circulating within the Central Terminal Area at a total estimated project cost of $1.268 billion, excluding interest on bonded debt. JFK suffers from a lack of public transportation options for access to the facility. In addition, the existing roadway system is unable to adequately address the need for on-airport circulation. The Project will provide connections to regional transportation hubs at the Long Island Railroad station in Jamaica as well as the New York City Transit station in Howard Beach. The LRS will also provide stations on-airport, at the rental car facilities at Federal Circle, the Employee Long-Term Parking Lot, and at the unit terminals for intra-airport transportation of airport customers and employees.

In requesting Project Authorization at the Board's May 9, 1996 meeting, staff noted that at the appropriate time, the Board would be asked to make the necessary findings and authorize acquisition of property interests by negotiation or condemnation. In view of the Project schedule, staff recommends authorization of property acquisition by negotiation at this time. If negotiations with private landowners do not lead to reasonable settlements, staff would conduct a public hearing as required by the New York State Eminent Domain Procedure Act before initiating eminent domain proceedings to acquire the property. Subsequent to such a hearing, the Board would be requested to make the necessary findings and determinations to enable acquisition by condemnation. The JFK LRS Right-Of-Way ("ROW") will occupy lands now owned by, among others, the City of New York, the State of New York, the Long Island Railroad, Rock-Arizona Associates (an Amoco gas station), Web Food Products, Inc. (a parking lot) and Andrew Borone, Dominick Borone and Joseph Borone (an auto service station and parking lot). Staff plans to acquire these lands, and possibly others adjacent to the ROW should the need become apparent.

The Board at its meeting on May 9, 1996 also authorized the Executive Director to apply to the Federal Aviation Administration ("FAA") for additional Passenger Facility Charge ("PFC") collection authority of $823 million and additional PFC use authority of $1.248 billion. An application was submitted to the FAA for the use of PFC funds on July 21, 1997. A Record of Decision for the use of these funds in the amount of $1.148 billion was received on February 9, 1998. An application for the $100 million in PFCs which expired on October 1, 1997, due to the FAA's failure to act by the application's expiration date, will be resubmitted to the FAA. In addition to the $14 million previously approved by the FAA for planning costs for the JFK LRS, an amendment to recover an additional $36 million in planning and preliminary engineering costs will be submitted at the same time. An addendum will also be submitted to the PFC application to permit the Port Authority to reallocate certain Port Authority Capital funds (up to $300 million) to project elements the FAA deems ineligible for PFC funding and to allocate PFCs to other eligible items. The total amount of PFC funds expected to be approved for the project is $1.298 billion. Together with $300 million in Port Authority Capital funds, the total available funds for this project is $1.598 billion, including interest on bonded debt.

Environmental impacts have been and will be assessed and will be taken into consideration in the implementation of the Project and mitigation measures incorporated in the

Project. A Draft Environmental Impact Statement ("EIS"), Written Reevaluation/Technical Report and Final EIS ("FEIS"), were prepared by the FAA along with the New York State Department of Transportation ("NYSDOT") acting as Joint Lead Agency. The FAA prepared Records of Decision approving an amended Airport Layout Plan including the ROW for the LRS and use of PFCs for the Project in compliance with the National Environmental Policy Act. NYSDOT issued a Record of Decision containing Findings in connection with its authorization of property conveyances for the Project in compliance with the New York State Environmental Quality Review Act ("SEQRA"). It is anticipated that the City of New York will also issue Findings in connection with its authorization of City actions in support of the Project which will comply with the City's Environmental Quality Review Regulations which implement SEQRA. Also, it is a condition of FAA Project approval, as noted in NYSDOT's Record of Decision, that the mitigation measures presented in Section 7.0 of the FEIS are the responsibility of the Port Authority. The Port Authority will incorporate the mitigation measures as requirements of the design, construction, and operation contracts or other contracts issued for the Project.

The City of New York (the "City") has advised that it must comply with the provisions of Section 197(c) of the City Charter involving the Uniform Land Use Review Procedure ("ULURP") before it can execute conveyances needed for the Project. The ULURP, entailing Hearings before Community Boards, the Borough Board, the City Planning Commission and possibly the City Council, is expected to take six to nine months to complete. While the Port Authority's ULURP Application is deemed technically complete, pending direction from the City, the Application has not yet been certified as complete so that the ULURP process may begin.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Haley, Kalikow, Lewis, O'Neill, Philibosian, Schweitzer and Song voting in favor; Commissioner Mack abstaining; none against:

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to acquire on behalf of the Port Authority property interests by negotiation for and in connection with the Air Terminal Access Facilities known as the John F. Kennedy International Airport ("JFK") Airport Access Light Rail System ("LRS") Project including a link between Jamaica and JFK, a link between Howard Beach and JFK and an LRS circulating the Central Terminal Area (the "Project"), such property interests being generally located along and adjacent to the alignment shown on the amended JFK Airport Layout Plan approved, or to be approved, by the Federal Aviation Administration ("FAA") including but not limited to fee title to three privately owned parcels of land known as Block 9990, Lot 5, Block 9989, Lot 11, and Block 9989, Lot 17, on the Tax Map of the City of New York, Borough of Queens, and to incur all related costs and expenses, and execute all documents and agreements, including without limitation, agreements and conveyances, involving transfers of property interests to or from the Port Authority, necessary or incidental to such acquisition or the Project; and to conduct a public hearing under New York State's Eminent Domain Procedure Act, at their discretion; and it is further

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to execute an agreement or agreements supplemental to the Agreement with respect to the Municipal Air Terminals between the City of New York (the "City") and the Port Authority and associated instruments whereby, among other matters, the City would: (a) transfer and release to the Port Authority the City's right, title and interest in the property interests the Port Authority requires for the Project; (b) accept a conveyance of the permanent property interests acquired for the Project; and (c) simultaneously lease such property interests to the Port Authority as part of the Airport Demised Premises; and it is further

RESOLVED, that the form of all documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

EXHIBIT B

**COPY OF SURVEY OF LOT 5, BLOCK 9990,
BOROUGH OF QUEENS, NEW YORK
PREPARED BY VOLLMER ASSOCIATES**

EXHIBIT C-2

(see attached)

QUITCLAIM DEED FROM PORT AUTHORITY TO CITY

THIS INDENTURE made as of November ____, 2004 between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of Congress with its office at 225 Park Avenue South, Borough of Manhattan, City, County and State of New York (the "**Port Authority**") and the CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (the "**City**").

WITNESSETH THAT:

WHEREAS, the City and Port Authority intend to enter into an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated as of November ____, 2004 (the "Agreement"); and

WHEREAS, the City has disposed to the Port Authority any property interests it owns within (i) that portion of the Light Rail System that the Port Authority has acquired from the People of the State of New York acting by and through the Commissioner of Transportation ('State") by Grant of Permanent Easement made August 19, 2002, a copy of which is attached hereto and made a part hereof as Exhibit A, and (ii) the property identified on the Tax Map of the City of New York as Lot 5, Block 9990, Borough of Queens by Indenture of even date herewith;

WHEREAS, the Port Authority now desires to convey to the City all property interests it owns within such portion of the Light Rail System ("LRS") and in Lot 5, Block 9990, Borough of Queens, and the City desires to accept such property interests and incorporate such property interests conveyed by the Port Authority to the City into the Demised Premises, as such term is defined in the Agreement, by leasing such property interests to the Port Authority under the Agreement; and

WHEREAS, City Planning Commission Resolution # C990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 have authorized such dispositions and acquisitions by the City and the Port Authority's Board of Commissioners has authorized such acquisitions and disposition by the Port Authority by Resolution adopted September 24, 1998.

NOW, THEREFORE, the Port Authority and the City do hereby agree as follows:

The Port Authority does hereby remise, release and quitclaim unto the City, its successors and assigns forever, all right, title and interest of the Port Authority in and to the Property which is described as follows:

A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;

2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;

3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property

now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;

5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);

6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as **Tax Block 9990, Tax Lot 5**, Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S., a copy of which is attached hereto as Exhibit B.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

Together with the appurtenances and all the estate and rights of the Port Authority in and to said premises.

Together with all right, title and interest, if any, of the Port Authority in and to any streets and roads abutting the above described premises to the center line thereof.

To Have And To Hold the premises herein granted unto the City, the successors and assigns of the City forever.

The Port Authority, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The City hereby accepts the conveyance from the Port Authority.

No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Indenture or because of its execution or because of any breach or attempted or alleged breach hereof.

This Indenture may be executed in one or more counterparts each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

IN WITNESS WHEREOF, the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, of the day and year first written above and the City has caused its corporate seal to be hereunto affixed and duly attested and this Indenture to be signed by its Deputy Mayor for Economic Development and Rebuilding and by the City Clerk of the City.

[NO FURTHER TEXT ON THIS PAGE]

Attest:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____

Secretary

_____

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

_____

Darrell Buchbinder,
General Counsel

THE CITY OF NEW YORK

By:

_____

City Clerk

By:

_____

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

_____

Acting Corporation Counsel

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

On the ___day of November 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

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

_____
Notary Public

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

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

_____
Notary Public

EXHIBIT A

COPY OF GRANT OF PERMANENT EASEMENT
DATED AS OF AUGUST 19, 2002
FROM THE PEOPLE OF THE STATE OF NEW YORK

STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
HUNTERS POINT PLAZA
47-40 21ST STREET
LONG ISLAND CITY, N.Y. 11101

DOUGLAS A. CURREY, P.E.
REGIONAL DIRECTOR

SUBI CHAKRABORTI, P.E.
DEPUTY REGIONAL DIRECTOR

JOSEPH H. BOARDMAN
COMMISSIONER

September 18, 2002

Harry Barr, Esq.
The Port Authority of NY and NJ
Law Department, 14th floor
225 Park Avenue South
New York, NY 10003

Re: PIN
Proceeding 6105 02/7
AirTrain Easement
JFK-LRS Airport Access Program
Queens County

Dear Mr. Barr:

As mentioned to your secretary in a message to be conveyed to you, we have filed the maps and the Grant of Permanent Easement on the above project in the Queens County Registrar's office on September 17, 2002 and I will be hand delivering these maps and the Grant of Easement to your office next week.

Thank you.

Sincerely,

Gulrukh Irani

Gulrukh Irani
Real Estate Specialist Trainee 2

PA LAW DEPARTMENT
172198

REEL 6582 PG 0118

CITY REGISTER RECORDING AND ENDORSEMENT PAGE

COUNTY OF ▶ Queens

THIS PAGE FORMS PART OF THE INSTRUMENT

TOTAL NUMBER OF PAGES IN DOCUMENT INCLUDING THIS PAGE ▶

Block ▼	Lots - ONLY IF ENTIRE LOT ▼	Partial Lots ▼ P/O
14260	1	

Premises ▼

Title/Agent Company Name ▼: NYSDOT

Title Company Number ▼:

RECORD & RETURN TO:
NAME ▼: Harry K. Barr, Esq.
ADDRESS ▼: Port Authority of NY & NJ. Law Dept
CITY ▼ / STATE ▼ / ZIP ▼: 225 Park Ave. S 14th Fl, NY NY 10003

NAME & ADDRESS

PARTY 1 ▶: N.Y.S. Department of Transportation
ADDITIONAL PARTY 1 ▶: 47-40 21st Street, L.I.C. NY - 11101
PARTY 2 ▶: Port Authority of NY & NJ
ADDITIONAL PARTY 2 ▶: 225 Park Ave S 14th Fl, Law Dept, N.Y. NY 10003

FOLD

CHECK THIS BOX IF THERE ARE MORE THAN 2 OF EITHER PARTY ☐

CITY REGISTER'S USE ONLY - DO NOT WRITE BELOW THIS LINE

Examined by (✓): ✓

Mtge Tax Serial No.:
Mtge Amount: $
Taxable Amount: $
Exemption (✓): YES ☐ NO ☐
Type: [ ] [255] [OTHER]
Dwelling Type: [1 to 2] [3] [4 to 6] [over 6]

TAX RECEIVED ON ABOVE MORTGAGE ▼

County (basic)	$
City (Addtl)	$
Spec Addtl	$
TASF	$
MTA	$
NYCTA	$
TOTAL TAX	$

Apportionment Mortgage (✓) YES ☐ NO ☐

City Register Serial Number ▶: 128069 Easement

Indexed By (✓): ✓N
Verified By (✓):

Block(s) and Lot(s) verified by (✓): ✓
Address ☐ Tax Map ☑
Extra Block(s): Lot(s):

Recording Fee B	$ NO CHARGE
Affidavit Fee (C)	$
RPTT Fee (R)	$ NO CHARGE
HPD-A ☐	HPD-C ☐

OTHER

LO/TL

FOLD

New York State Real Estate Transfer Tax ▼
$ -0-
Serial Number ▶: 004445

New York City Real Property Transfer Tax Serial Number ▶: 022466

RECORDED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK

CRGFRANKLBPG 04/30

46 - H - 902

REEL 6582 PG 0119

Proceeding 6105
AirTrain Easement
JFK-LRS Airport Access Program
Queens County

GRANT OF PERMANENT EASEMENT

Made the 19th day of August, 2002, between

THE PEOPLE OF THE STATE OF NEW YORK, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York, with offices at 1220 Washington Avenue, Albany, New York 12232, Grantors, and

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic acting pursuant to authority conferred by the legislatures of the States of New York and New Jersey, with offices at 225 Park Avenue South, New York, New York 10003, Grantee,

WHEREAS, Grantee has constructed a Light Rail System designed to carry passengers, also referred to as AirTrain Facilities("LRS") within Kennedy International Airport ("JFK") with connections to the Jamaica Long Island Railroad/New York City Transit Authority Sutphin Boulevard Station ("Jamaica Station")and to the Howard Beach Subway Station; and

WHEREAS, the connection to the Jamaica Station requires the use of property lying between the boundary of JFK and the Jamaica Station including, but not limited to, the Van Wyck Expressway ("VWE"), for the LRS Project; and

WHEREAS, lands within the VWE are owned all or in part by the Grantors as part of the State Highway System under

jurisdiction of the New York State Department of Transportation ("NYSDOT"); and

WHEREAS, the parties hereto have entered into a Memorandum of Understanding which provides, among other things, that the Grantee will construct the LRS and as part of its project will make certain other improvements in the VWE for the benefit of the Grantors, and the Grantors will convey a grant of permanent easement rights in the VWE to the Grantee upon the terms and conditions hereinafter expressed; and

NOW THEREFORE the Grantors, in consideration of the sum of ONE AND NO/100 DOLLAR ($1.00), and other valuable consideration, do hereby remise, release and quitclaim unto the Grantee, its successors and assigns forever,

Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those **PIECES OR PARCELS OF PROPERTY** situate in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR-402 through CR-415 of a series of maps entitled "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 through 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK" prepared by Vollmer Associates,

LLP, dated February 28, 2002, bearing Project Number 2001-003-03, and filed in the Office of the Register of Deeds, Queens County contemporaneously with the recording of this Grant of Permanent Easement.

1. With respect to each parcel designated as "Aerial Parcel" or "Aerial Easement", a permanent aerial easement for an elevated reinforced concrete platform supporting the LRS referred to herein as the "AirTrain Guideway," and for the LRS constructed thereon, including but not limited to appurtenant track, wires, switches, signals, drainage and other utility installations required for the operation of the LRS. Each aerial easement parcel is located within an elevated plane situate generally over the median area of the VWE separating the northbound and southbound lanes or the eastbound and westbound lanes, as the case may be, of the VWE and the first vehicular lane of the VWE located northerly or easterly of the median and the two vehicular travel lanes of the VWE located southerly or westerly of the median.

2. With respect to each parcel designated as "Column Parcel" or "Column Easement", a permanent surface easement for support of the AirTrain Guideway, including but not limited to appurtenant track, wire, switches, signals, drainage and utility installations.

3. With respect to each parcel designated as "Subsurface

Parcel" or "Subsurface Easement", a permanent subsurface easement for the construction of footings necessary for support of the columns supporting the AirTrain Guideway, the right to construct, install, and operate cables, wires, switches, signals, and other equipment appurtenant to electric and data transmission and the right to construct, install, operate and maintain drainage and utility facilities, including the right to connect to the existing highway drainage system.

RESERVING TO THE GRANTORS the legal right of access at grade level for the purpose of inspection, maintenance or repair of all State and/or New York City owned facilities, appurtenances or equipment or emergency repair or shoring of the LRS, if in the opinion of the Grantors, State facilities are endangered; and

IT IS FURTHER AGREED that inspection, maintenance, and/or repair of the LRS facility constructed by the Grantee within the State Highway System requiring access from the at-grade level will require a Permit from NYSDOT, but that inspection, maintenance, and/or repair work conducted from the elevated LRS/ AirTrain Guideway will not require a Permit issued by NYSDOT unless lane closures of the highway below are involved. The Permit for such work, which shall not be unreasonably withheld or delayed, shall be issued without charge and without requirements for bonds and shall otherwise contain standard terms and conditions.

PROVIDED HOWEVER, that the Grantee, its successors and assigns shall make no change in the clearance over the VWE or in the alignment or location of such LRS facilities, or additional facilities constructed, which will interfere with the VWE and its appurtenances or other facilities of the State of New York, its successors or assigns.

FURTHER PROVIDED, that if the easement rights created herein are no longer used for construction, reconstruction, operation and maintenance of an LRS operated for Air Terminal purposes, the easements shall automatically terminate and jurisdiction over the affected premises shall return to the NYSDOT.

This Grant of Permanent Easement contains certain language defining the scope, purpose and terms of the easements granted herein. The maps referred to in this Grant and which are intended to be filed contemporaneously with the recording of this Grant also contain certain language defining the scope, purpose and terms of such easements. The language contained in this Grant is intended to control the definition of these easements, and any inconsistency between the language describing the scope, purpose and terms of said easements contained on the maps and in this Grant, shall be controlled by the language of this Grant.

TO HAVE AND TO HOLD the permanent easement rights herein granted unto the Grantee, its successors and assigns forever, except as provided above.

IN WITNESS WHEREOF, the Grantors have caused this instrument to be signed by their duly authorized representative and the seal of the New York State Department of Transportation to be hereunto affixed.

THE PEOPLE OF THE STATE OF NEW YORK

BY: JOSEPH H. BOARDMAN
Commissioner of Transportation

BY: _____
RICHARD J. MORRIS
Director, Real Estate Division
Department of Transportation

State of New York)
) ss.:
County of Albany)

On the 19th day of August in the year 2003 before me, the undersigned, personally appeared Richard J. Morris, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public, State of New York

CHERYL M. DUFFEY
Notary Public, State of New York
Qualified in Rensselaer County
No. 4650865
Commission Expires April 30, 2004

Approved as to form
and manner of execution.
ELIOT SPITZER
ATTORNEY GENERAL

By: _____
Gary von Bieberstein
Principal Attorney

JOHN F. KENNEDY INTERNATIONAL AIRPORT - AIRPORT ACCESS PROJECT - PROPERTY ACQUISITION

On May 9, 1996, the Board authorized a project (the "Project") for the implementation of an automated Light Rail System ("LRS") between Jamaica and John F. Kennedy International Airport ("JFK"), a link between Howard Beach and JFK, and an LRS circulating within the Central Terminal Area at a total estimated project cost of $1.268 billion, excluding interest on bonded debt. JFK suffers from a lack of public transportation options for access to the facility. In addition, the existing roadway system is unable to adequately address the need for on-airport circulation. The Project will provide connections to regional transportation hubs at the Long Island Railroad station in Jamaica as well as the New York City Transit station in Howard Beach. The LRS will also provide stations on-airport, at the rental car facilities at Federal Circle, the Employee Long-Term Parking Lot, and at the unit terminals for intra-airport transportation of airport customers and employees.

In requesting Project Authorization at the Board's May 9, 1996 meeting, staff noted that at the appropriate time, the Board would be asked to make the necessary findings and authorize acquisition of property interests by negotiation or condemnation. In view of the Project schedule, staff recommends authorization of property acquisition by negotiation at this time. If negotiations with private landowners do not lead to reasonable settlements, staff would conduct a public hearing as required by the New York State Eminent Domain Procedure Act before initiating eminent domain proceedings to acquire the property. Subsequent to such a hearing, the Board would be requested to make the necessary findings and determinations to enable acquisition by condemnation. The JFK LRS Right-Of-Way ("ROW") will occupy lands now owned by, among others, the City of New York, the State of New York, the Long Island Railroad, Rock-Arizona Associates (an Amoco gas station), Web Food Products, Inc. (a parking lot) and Andrew Borone, Dominick Borone and Joseph Borone (an auto service station and parking lot). Staff plans to acquire these lands, and possibly others adjacent to the ROW should the need become apparent.

The Board at its meeting on May 9, 1996 also authorized the Executive Director to apply to the Federal Aviation Administration ("FAA") for additional Passenger Facility Charge ("PFC") collection authority of $823 million and additional PFC use authority of $1.248 billion. An application was submitted to the FAA for the use of PFC funds on July 21, 1997. A Record of Decision for the use of these funds in the amount of $1.148 billion was received on February 9, 1998. An application for the $100 million in PFCs which expired on October 1, 1997, due to the FAA's failure to act by the application's expiration date, will be resubmitted to the FAA. In addition to the $14 million previously approved by the FAA for planning costs for the JFK LRS, an amendment to recover an additional $36 million in planning and preliminary engineering costs will be submitted at the same time. An addendum will also be submitted to the PFC application to permit the Port Authority to reallocate certain Port Authority Capital funds (up to $300 million) to project elements the FAA deems ineligible for PFC funding and to allocate PFCs to other eligible items. The total amount of PFC funds expected to be approved for the project is $1.298 billion. Together with $300 million in Port Authority Capital funds, the total available funds for this project is $1.598 billion, including interest on bonded debt.

Environmental impacts have been and will be assessed and will be taken into consideration in the implementation of the Project and mitigation measures incorporated in the

Project. A Draft Environmental Impact Statement ("EIS"), Written Reevaluation/Technical Report and Final EIS ("FEIS"), were prepared by the FAA along with the New York State Department of Transportation ("NYSDOT") acting as Joint Lead Agency. The FAA prepared Records of Decision approving an amended Airport Layout Plan including the ROW for the LRS and use of PFCs for the Project in compliance with the National Environmental Policy Act. NYSDOT issued a Record of Decision containing Findings in connection with its authorization of property conveyances for the Project in compliance with the New York State Environmental Quality Review Act ("SEQRA"). It is anticipated that the City of New York will also issue Findings in connection with its authorization of City actions in support of the Project which will comply with the City's Environmental Quality Review Regulations which implement SEQRA. Also, it is a condition of FAA Project approval, as noted in NYSDOT's Record of Decision, that the mitigation measures presented in Section 7.0 of the FEIS are the responsibility of the Port Authority. The Port Authority will incorporate the mitigation measures as requirements of the design, construction, and operation contracts or other contracts issued for the Project.

The City of New York (the "City") has advised that it must comply with the provisions of Section 197(c) of the City Charter involving the Uniform Land Use Review Procedure ("ULURP") before it can execute conveyances needed for the Project. The ULURP, entailing Hearings before Community Boards, the Borough Board, the City Planning Commission and possibly the City Council, is expected to take six to nine months to complete. While the Port Authority's ULURP Application is deemed technically complete, pending direction from the City, the Application has not yet been certified as complete so that the ULURP process may begin.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Haley, Kalikow, Lewis, O'Neill, Philibosian, Schweitzer and Song voting in favor; Commissioner Mack abstaining; none against:

> **RESOLVED**, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to acquire on behalf of the Port Authority property interests by negotiation for and in connection with the Air Terminal Access Facilities known as the John F. Kennedy International Airport ("JFK") Airport Access Light Rail System ("LRS") Project including a link between Jamaica and JFK, a link between Howard Beach and JFK and an LRS circulating the Central Terminal Area (the "Project"), such property interests being generally located along and adjacent to the alignment shown on the amended JFK Airport Layout Plan approved, or to be approved, by the Federal Aviation Administration ("FAA") including but not limited to fee title to three privately owned parcels of land known as Block 9990, Lot 5, Block 9989, Lot 11, and Block 9989, Lot 17, on the Tax Map of the City of New York, Borough of Queens, and to incur all related costs and expenses, and execute all documents and agreements, including without limitation, agreements and conveyances, involving transfers of property interests to or from the Port Authority, necessary or incidental to such acquisition or the Project; and to conduct a public hearing under New York State's Eminent Domain Procedure Act, at their discretion; and it is further

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to execute an agreement or agreements supplemental to the Agreement with respect to the Municipal Air Terminals between the City of New York (the "City") and the Port Authority and associated instruments whereby, among other matters, the City would: (a) transfer and release to the Port Authority the City's right, title and interest in the property interests the Port Authority requires for the Project; (b) accept a conveyance of the permanent property interests acquired for the Project; and (c) simultaneously lease such property interests to the Port Authority as part of the Airport Demised Premises; and it is further

RESOLVED, that the form of all documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

EXHIBIT B

**COPY OF SURVEY OF LOT 5, BLOCK 9990,
BOROUGH OF QUEENS, NEW YORK
PREPARED BY VOLLMER ASSOCIATES**

EXHIBIT D-1

(see attached)

NEW YORK MUNICIPAL AIR TERMINALS
ANNUAL STATEMENT
JANUARY 1, 20__ TO DECEMBER 31, 20__

Table of Contents

		Pages
Exhibit A	- Rent Computation Schedule	1
Exhibit B	- Annual Gross Revenue	2
Exhibit C	- LaGuardia Airport Annual Gross Revenue	3-4
Exhibit D	- John F. Kennedy International Airport Annual Gross Revenue	5-6
Exhibit E	- Items Excluded From Annual Gross Revenue	7

NEW YORK MUNICIPAL AIR TERMINALS
RENT COMPUTATION SCHEDULE
20__

EXHIBIT A

LINE NO.		FOR THE YEAR 20__
1	Annual Gross Revenue (From Exhibit B, Line 3)	
2	8% of Line 1	
3	Minimum Annual Rent Amount	
5	Base Rent	
6	Additional Lump Sum Payment (Line 3 Minus Line 4)	$ -

NEW YORK MUNICIPAL AIR TERMINALS **EXHIBIT B**
ANNUAL GROSS REVENUE
20__

LINE NO.		FOR THE YEAR 20__
1	LaGuardia Airport (From Exhibit C, Page 4)	
2	John F. Kennedy International Airport (From Exhibit D, Page 6)	
3	Annual Gross Revenue (To Exhibit A, Line 1)	$ -

NEW YORK MUNICIPAL AIR TERMINALS **EXHIBIT C**

LAGUARDIA AIRPORT

ANNUAL GROSS REVENUE

20__

SOURCE	DESCRIPTION	ANNUAL GROSS REVENUE
503	Miscellaneous Revenue	
515	Special Project Bonds	
517	Telecommunications	
559	Unclassified Tenants	
601	General Consumer Services	
602	Food & Beverage Consumer Services	
603	Machine Services	
605	Display Advertising	
641	General Consumer Services - Fixed	
642	Food & Beverage Sales - Fixed	
643	Machine Sales - Fixed	
644	Air Conditioning Services - Fixed	
646	Oil Companies - Fixed Rentals	
648	Ground Handling - Fixed	
654	Public Vehicular Parking	
700	Scheduled Airlines - Flight Fees	
701	Scheduled Airlines - Terminals	
703	Itinerant Aircraft	
706	Scheduled Commuter Airlines	
707	Scheduled Airlines - Hangars & Cargo Facility	
709	Scheduled Airlines - Heating & Refrigeration	
710	Scheduled Airlines - Other	

NEW YORK MUNICIPAL AIR TERMINALS
LAGUARDIA AIRPORT
ANNUAL GROSS REVENUE
20__

EXHIBIT C

SOURCE	DESCRIPTION	ANNUAL GROSS REVENUE (CONT'D)
711	Aircraft Parking & Storage	
725	Scheduled Airlines - Percent Fees	
726	FAR - Boarding Gate Security Program	
727	Tenant Parking	
728	Scheduled Airlines - Miscellaneous Fees	
731	Oil Companies	
751	Ground Handling Agencies	
752	Cargo Handling & Service Agencies	
761	Aircraft Service Agencies	
771	U.S. Government	
800	Recovered Expense	
851	Sale of Water - Hot & Cold	
852	Sale of Electricity	
879	Asbestos Settlement	
	Total Annual Gross Revenue (To Exhibit B, Line 1)	$0

NEW YORK MUNICIPAL AIR TERMINALS
JOHN F. KENNEDY INTERNATIONAL AIRPORT
ANNUAL GROSS REVENUE
20__

EXHIBIT D

SOURCE	DESCRIPTION	ANNUAL GROSS REVENUE
503	Miscellaneous Revenue	
515	Special Project Bonds	
517	Telecommunications	
559	Unclassified Tenants	
601	General Consumer Services	
602	Food & Beverage Consumer Services	
603	Machine Services	
605	Display Advertising	
641	General Consumer Services - Fixed	
642	Food & Beverage Sales - Fixed	
643	Machine Sales - Fixed	
644	Air Conditioning Services - Fixed	
645	Display Advertising - Fixed	
646	Oil Companies - Fixed Rentals	
647	Hotel - Fixed Rentals	
648	Ground Handling - Fixed	
649	Cargo Handling - Fixed	
650	International Hotel	
654	Public Vehicular Parking	
700	Scheduled Airlines - Flight Fees	
701	Scheduled Airlines - Terminals	
703	Itinerant Aircraft	
705	Scheduled Helicopter Operations	
706	Scheduled Commuter Airlines	
707	Scheduled Airlines - Hangars & Cargo Facility	
709	Scheduled Airlines - Heating & Refrigeration	

EXHIBIT D

NEW YORK MUNICIPAL AIR TERMINALS
JOHN F. KENNEDY INTERNATIONAL AIRPORT
ANNUAL GROSS REVENUE
20__

SOURCE	DESCRIPTION	ANNUAL GROSS REVENUE (CONT'D)
710	Scheduled Airlines - Other	
711	Aircraft Parking & Storage	
712	Fuel Fees	
713	Environmental Fees	
716	PAF Penalty Fees	
725	Scheduled Airlines - Percent Fees	
726	FAR - Boarding Gate Security Program	
727	Tenant Parking	
728	Scheduled Airlines - Miscellaneous Fees	
746	Air Train Fare Box Revenue	
751	Ground Handling Agencies	
752	Cargo Handling & Service Agencies	
761	Aircraft Service Agencies	
771	U.S. Government	
777	Trade Service Firms	
800	Recovered Expense	
851	Sale of Water - Hot & Cold	
852	Sale of Electricity	
859	Leased Fuel Trucks	
879	Asbestos Settlement	
	Total Annual Gross Revenue (To Exhibit B, Line 2)	$0

NEW YORK MUNICIPAL AIR TERMINALS **EXHIBIT E**
ITEMS EXCLUDED FROM ANNUAL GROSS REVENUE
20__

DESCRIPTION	**FOR THE YEAR 20__**
Passenger Facility Charges-LaGuardia and John F. Kennedy International Airport	
Federal Grants	
Transportation Security Administration-Boarding Gate Security	
FAA K-9 Program	
Principal Payments on Special Project Bonds	
Total Excluded From Annual Gross Revenue	$ -

Reason for Exclusion:

Pursuant to Section 4.1, Annual Gross Revenues shall exclude any and all amounts attributable to repayment of principal on Special Project Bonds, federal grants or monies received as a result of any federal statute, regulation or policy or program, such as passenger facility charges and amounts used for airport security, where such statute or regulation, policy or program restricts the use of such monies to purposes benefiting the Municipal Air Terminals.

EXHIBIT D-2

(see attached)

NEW YORK MUNICIPAL AIR TERMINALS
LAGUARDIA AIRPORT
ESTIMATED ANNUAL GROSS REVENUE
20__

SOURCE	DESCRIPTION	ESTIMATED ANNUAL GROSS REVENUE
503	Miscellaneous Revenue	
515	Special Project Bonds	
517	Telecommunications	
559	Unclassified Tenants	
601	General Consumer Services	
602	Food & Beverage Consumer Services	
603	Machine Services	
605	Display Advertising	
641	General Consumer Services - Fixed	
642	Food & Beverage Sales - Fixed	
643	Machine Sales - Fixed	
644	Air Conditioning Services - Fixed	
646	Oil Companies - Fixed Rentals	
648	Ground Handling - Fixed	
654	Public Vehicular Parking	
700	Scheduled Airlines - Flight Fees	
701	Scheduled Airlines - Terminals	
703	Itinerant Aircraft	
706	Scheduled Commuter Airlines	
707	Scheduled Airlines - Hangars & Cargo Facility	
709	Scheduled Airlines - Heating & Refrigeration	
710	Scheduled Airlines - Other	

NEW YORK MUNICIPAL AIR TERMINALS
LAGUARDIA AIRPORT
ESTIMATED ANNUAL GROSS REVENUE
20__

SOURCE	DESCRIPTION	ESTIMATED ANNUAL GROSS REVENUE (CONT'D)
711	Aircraft Parking & Storage	
725	Scheduled Airlines - Percent Fees	
726	FAR - Boarding Gate Security Program	
727	Tenant Parking	
728	Scheduled Airlines - Miscellaneous Fees	
731	Oil Companies	
751	Ground Handling Agencies	
752	Cargo Handling & Service Agencies	
761	Aircraft Service Agencies	
771	U.S. Government	
800	Recovered Expense	
851	Sale of Water - Hot & Cold	
852	Sale of Electricity	
879	Asbestos Settlement	
	Total Estimated Annual Gross Revenue	$0

NEW YORK MUNICIPAL AIR TERMINALS
JOHN F. KENNEDY INTERNATIONAL AIRPORT
ESTIMATED ANNUAL GROSS REVENUE
20__

SOURCE	DESCRIPTION	ESTIMATED ANNUAL GROSS REVENUE
503	Miscellaneous Revenue	
515	Special Project Bonds	
517	Telecommunications	
559	Unclassified Tenants	
601	General Consumer Services	
602	Food & Beverage Consumer Services	
603	Machine Services	
605	Display Advertising	
641	General Consumer Services - Fixed	
642	Food & Beverage Sales - Fixed	
643	Machine Sales - Fixed	
644	Air Conditioning Services - Fixed	
645	Display Advertising - Fixed	
646	Oil Companies - Fixed Rentals	
647	Hotel - Fixed Rentals	
648	Ground Handling - Fixed	
649	Cargo Handling - Fixed	
650	International Hotel	
654	Public Vehicular Parking	
700	Scheduled Airlines - Flight Fees	
701	Scheduled Airlines - Terminals	
703	Itinerant Aircraft	
705	Scheduled Helicopter Operations	
706	Scheduled Commuter Airlines	
707	Scheduled Airlines - Hangars & Cargo Facility	
709	Scheduled Airlines - Heating & Refrigeration	

NEW YORK MUNICIPAL AIR TERMINALS
JOHN F. KENNEDY INTERNATIONAL AIRPORT
ESTIMATED ANNUAL GROSS REVENUE
20__

SOURCE	DESCRIPTION	ESTIMATED ANNUAL GROSS REVENUE (CONT'D)
710	Scheduled Airlines - Other	
711	Aircraft Parking & Storage	
712	Fuel Fees	
713	Environmental Fees	
716	PAF Penalty Fees	
725	Scheduled Airlines - Percent Fees	
726	FAR - Boarding Gate Security Program	
727	Tenant Parking	
728	Scheduled Airlines - Miscellaneous Fees	
746	Air Train Fare Box Revenue	
751	Ground Handling Agencies	
752	Cargo Handling & Service Agencies	
761	Aircraft Service Agencies	
771	U.S. Government	
777	Trade Service Firms	
800	Recovered Expense	
851	Sale of Water - Hot & Cold	
852	Sale of Electricity	
859	Leased Fuel Trucks	
879	Asbestos Settlement	
	Total Estimated Annual Gross Revenue	$0

EXHIBIT D-3

(see attached)

SCHEDULE A

Intentionally Omitted

SCHEDULE B

Intentionally Omitted

SCHEDULE C

The Matter of the Arbitration Between The City of New York and The Port Authority of New York and New Jersey commenced with a Demand for Arbitration dated December 14, 1995, before the American Institute of Certified Public Accountants.

SCHEDULE D

Intentionally Omitted

SCHEDULE E
Schedule of Newark Airport Lease and all Amendments

1. Agreement with respect to the Newark Marine and Air Terminals by and between the City of Newark and the Port Authority made the 22nd day of October, 1947.

2. First Supplemental Agreement made as of the 11th day of March, 1948.

3. Second Supplemental Agreement made as of the 27th day of July, 1949.

4. Third Supplemental Agreement made the 30th day of August, 1949.

5. Fourth Supplemental Agreement made as of the 21st day of September, 1949.

6. Fifth Supplemental Agreement made as of the 27th day of May, 1953.

7. Sixth Supplemental Agreement made as of the 8th day of September, 1955.

8. Seventh Supplemental Agreement made as of the 5th day of October, 1956.

9. Eighth Supplemental Agreement made the 21st day of April, 1958.

10. Ninth Supplemental Agreement made as of the 14th day of December, 1966.

11. Tenth Supplemental Agreement made as of the 30th day of June, 1970.

12. Eleventh Supplemental Agreement made as of the 5th day of February, 1975.

13. Twelfth Supplemental Agreement made as of the 1st day of April, 1974.

14. Thirteenth Supplemental Agreement made as of the 16th day of May, 1975.

15. Fourteenth Supplemental Agreement made as of the 14th day of June, 1984.

SCHEDULE E
Schedule of Newark Airport Lease and all Amendments
(Continued)

16. Fifteenth Supplemental Agreement made as of the 1st day of January, 1984.

17. Sixteenth Supplemental Agreement made as of the 17th day of April, 1996.

18. Seventeenth Supplemental Agreement made as of the 26th day of March, 1998.

19. Eighteenth Supplemental Agreement made the 2nd day of October, 2000.

20. Eighteenth Supplemental Agreement made as of the 1st day of January, 2002.

21. Nineteenth Supplemental Agreement made as of the 1st day of January, 2002.

APPENDIX A

(see attached)

EXHIBIT A

Performance Standards

(AIRPORT BOARD AGREEMENT)
EXHIBIT A

AIRPORT PERFORMANCE AND SERVICE STANDARDS

John F. Kennedy International ("JFK") and LaGuardia Airports (together the "New York Airports") serve as both gateways to and economic engines for New York City, the Port Authority of New York and New Jersey and the City of New York recognize that, in accordance with the Lease Agreement, the Port Authority and the City intend that the New York Airports shall be operated and developed as first class facilities that meet the air travel and cargo demands of the City of New York and the surrounding metropolitan region.

To that end, the existence of vigorous measures of quality coupled with effective implementation policies are fundamental both to furthering the reasonable interests of all users of the New York Airports and to ensuring that the airports deliver the types of service at levels of quality that are in the public benefit.

On a quarterly basis the Port Authority will deliver to the City and the Airport Board both Landside and Airside Performance Indicators as set forth below. These Performance Indicators have been selected specifically to measure the New York Airports' **(1) Market Share, (2) Passenger Service, (3) Cargo Service, (4) Operations, (5) Capital Spending, (6) Quality of Service**, and **(7) Community Relations**. These Indicator measurements will be provided to the City and Airport Board both graphically and textually. Recognizing that there is a lag in the receipt of certain data requested, the Port Authority will report the most current data available and it is acknowledged that the timeframe covered for each measure may vary.

The Indicator Measurements to be provided by the Port Authority are as follows:

1. Market Share:

a) Passenger Volume
The Port Authority will provide, on a quarterly basis, rolling 12-month passenger volume for the New York Airports. The volume will be broken out by airport and by month. The Port Authority will provide comparable passenger volume data for the previous 12 months, including the annual percentage increase or decrease, and for the New York Airports' peer airports: Chicago O'Hare (ORD), Miami (MIA), Newark Liberty (EWR), and Boston Logan (BOS), depending on availability.

b) Passenger Rankings
The Port Authority will provide, on a quarterly basis, the ranking of JFK's international traffic relative to Newark Liberty (EWR), Chicago O'Hare (ORD), Miami (MIA), Philadelphia (PHL), Boston Logan (BOS), Atlanta Hartsfield-Jackson (ATL), and Washington Dulles (IAD) for the immediately preceding four quarters.

The Port Authority will provide, on a quarterly basis, the New York Airports' domestic traffic, relative to Newark Liberty (EWR), Philadelphia (PHL), Boston Logan (BOS), Washington National (DCA) and Washington Dulles (IAD) for the immediately preceding four quarters. Domestic traffic will be broken out by both LaGuardia and JFK.

c) Cargo Rankings
The Port Authority will provide, on a quarterly basis, the ranking of the New York Airports' total gross cargo tonnage throughput and total cargo value relative to Newark Liberty (EWR), Atlanta Hartsfield-Jackson (ATL), Philadelphia (PHL), Boston Logan (BOS) and Washington Dulles (IAD). The Port Authority will provide comparable rankings, including annual percentage increases or decreases for the preceding four quarters.

2. Passenger Service:

a) JFK Non-Stop Destinations
The Port Authority will provide, on a quarterly basis, a complete index of cities served non-stop from JFK. The data will be broken out into the following geographic categories: United States, Canada, Mexico, Central America, Caribbean, South America, Europe/Africa/Middle East, and Asia/Pacific.

The Port Authority will provide, on a quarterly basis, the total number of non-stop flights and total number of seats available on non-stop flights from JFK to cities in the following eight geographic regions: United States, Canada, Mexico, Central America, Caribbean, South America, Europe/Africa/Middle East, and Asia/Pacific. The Port Authority will provide comparable data for the previous 12 months, including annual percentage increase or decrease in the total number of non-stop flights and seats.

b) LaGuardia Non-Stop Destinations
The Port Authority will provide, on a quarterly basis, a complete index of non-stop destinations being served from LaGuardia Airport. The data will be broken out into the following geographic categories: Northeast, South, Midwest, West, and International.

The Port Authority will provide, on a quarterly basis, the total number of non-stop flights and of seats available on non-stop flights from LaGuardia to cities in the following geographic regions: Northeast, South, Midwest, West, and International. The Port Authority will provide comparable data for the previous 12 months, including annual percentage increase or decrease in the total number of non-stop flights and seats.

c) Number of Scheduled Air Carriers
The Port Authority will provide, on a quarterly basis, a complete index of scheduled air carriers (excluding affiliates), by quarter, serving JFK and LaGuardia Airports. This index shall include a brief description of geographic area(s) served for each carrier.

The Port Authority will provide a complete index of total new entrants, and geographic area(s) served, as compared to the same data for the immediately preceding fiscal year.

3. **Cargo Service:**

a) Total Gross Cargo Tonnage Throughput
The Port Authority will provide, on a quarterly basis, the total gross cargo tonnage throughput at the New York Airports. The Port Authority will provide comparable data, showing percentage increase or decrease, for the preceding year.

b) Total GrossCargo Value
The Port Authority will provide, on a quarterly basis, the total gross value of international air cargo throughput for the New York Customs District. The Port Authority will provide comparable data, showing percentage increase or decrease, for the preceding year. N.B. The data is supplied by the U.S. Bureau of Customs and Border Protection and is not broken down by airport, but rather by region, or U.S. Custom District. The New York Custom District includes Newark Liberty International Airport.

c) Origins of New York Airports' Cargo Trade
The Port Authority will provide, on a quarterly basis, a matrix outlining by volume, value and share the cargo arriving at the New York Airports from the following IATA-categorized regions: Asia, North America, Europe, Africa, Middle East, South America, Central America, Southwest Pacific.

d) Destinations of New York Airports' Cargo Trade
The Port Authority will provide, on a quarterly basis, a matrix outlining by volume, value and share the international air cargo exported from the New York Customs District to the following IATA-categorized regions: Asia, North America, Europe, Africa, Middle East, South America, Central America, Southwest Pacific.

e) Commodities by Category
The Port Authority will provide, on a quarterly basis, an index of the top five commodity categories, by volume, value and share, imported and exported via air from the New York Customs District.

f) Cargo Trade by Carrier
The Port Authority will provide, on a quarterly basis, an index outlining total volume and share of cargo traffic into the New York Airports by air carrier.

g) Air Cargo Trends
The Port Authority will provide, on an annual basis, a report outlining key trends in the air cargo industry and the Port Authority's planned response to these trends and recommendations on how the City can assist.

h) Cargo Access

The City will provide a status on the 10 Point Cargo Access Plan (**Attachment A**) and the planned response to administrative and capital funding issues.

4. Operations:

a) Operations with Delay by Cause
The Port Authority will provide, on a quarterly basis, data showing all operations, including delays, at the New York Airports, by airport. The cause of delays will be separated into four categories and reported by percentage. The four categories include: Weather, Volume, Construction, and Other.

b) Incursions
The Port Authority will provide, on a quarterly basis, information indicating the number of runway incursions that have occurred at the New York Airports, by airport, during the immediately preceding quarter. The runway incursion will be separated into the following categories: (1) unauthorized pedestrian, (2) vehicle, or (3)aircraft entering or failing to clear the runway safety area, interfering with an aircraft takeoff or landing.

c) Landing Fees
The Port Authority will provide, on an annual basis, a schedule of its landing fees at the New York Airports, by airport. The Port Authority will indicate percentage increases and decreases of landing fees compared to the preceding fiscal year.

5. Capital Spending:

a) The Port Authority will provide, within ninety (90) days after the approval of the Port Authority's annual budget by the Port Authority Board of Commissioners, a true, accurate and complete copy of its then current five (5) year capital plan with respect to the Municipal Air Terminals. For capital improvements the cost of which is in excess of $50 million, the Port Authority will provide true and accurate complete plans for such projects.

b) The Port Authority will provide, on a quarterly basis, a detailed summary of its current year capital spending at the New York Airports, by airport. This summary will include a breakdown of spending by project.

c) The Port Authority will provide, on a quarterly basis, a summary and brief description of financing inducement resolutions adopted by the Port Authority for capital projects at the New York Airports during the previous quarter.

6. Quality of Service:

Passenger Service Monitor Program

In the first quarter of the first year of the lease, the Port Authority shall present a proposed Passenger Service Monitor Program to the Airport Board for its consultation as to its scope, structure and methodology. The Passenger Service Monitor Program shall include surveys taken regularly, and in no event less than once per year, of a sample of passengers at the New York Airports for their opinions on the range of services provided by the Port Authority, its contractors and vendors. These surveys will be conducted by an independent third party and their scope must, at minimum, measure satisfaction levels for the following categories:

1. General Cleanliness of Public Areas
2. Signage/Wayfinding
3. Helpfulness and Courtesy of Airport Information Staff
4. Personal Safety in Terminal Buildings and on AirTrain system
5. Cost and Convenience of Airport Parking
6. Ground Transportation Availability
7. AirTrain Service

The Port Authority will provide the Airport Board with the results of its Passenger Service Monitor Program on no less than an annual basis. The presentation to the Airport Board will include all results indicating overall passenger satisfaction upon departure from and arrival at all terminals at JFK and LaGuardia Airports and within stations and trains of the AirTrain system. The Port Authority will also provide comparable survey results for the previous two years. The results will be broken out for each of the terminals at the two airports and for the AirTrain; these terminals are:

JFK:
Terminal 1 (T1)
Terminal 2 (T2)
Terminal 3 (T3)
Terminal 4 (T4)
Terminal 6 (T6)
Terminal 7 (T7)
Terminal 8 (T8)
Terminal 9 (T9)

LaGuardia:
Delta Shuttle (DS)
US Airways Terminal (USA)
Delta Main (DM)
Central Terminal Building (CTB)

In those attributes where passenger satisfaction levels have decreased from levels recorded the prior year, the Port Authority shall provide the Airport Board with a specific plan and timeline for remedy of the problem.

The Airport Board, with the majority approval and, at its own expense, may request an expanded scope, more frequent surveys and additional measurements. The Port Authority will retain all proprietary rights associated with the Passenger Service Monitor Program, however all results will be shared openly with both the City of New York and the Airport Board.

7. Community Outreach

a) Aviation Development Council
The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Aviation Development Council. This summary report will include a listing of all grants disbursed, and reports produced during the preceding fiscal year.

b) Queens Council on Airport Opportunity
The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Queens Council on Airport Opportunity, including local hiring numbers at the New York Airports, during the preceding fiscal year.

c) Queens Air Services Development Office
The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Queens Air Services Development Office. This report will include a summary of local procurement of goods and services at the New York Airports during the preceding fiscal year.

ATTACHMENT A

JFK Cargo Access Issues

JFK CARGO ACCESS ISSUES

Context

International Cargo

The New York and New Jersey airports, which constitute the New York Customs District, were responsible for 23 percent of all commodities imported and 17 percent of all exports in the U.S. in 2003, for a total of 2.9 billion pounds of the U.S. internationally traded commodities. In total, these airports handle more than 2.6 million tons of cargo per year, generate 85,000 jobs and are responsible for $10.9 billion in economic activity, including $3.7 billion in annual wages. Pivotal to this level of activity are the more then 1,000 cargo companies, including airlines, cargo handlers, brokers, truckers and freight forwarders that call the New York and New Jersey airports home.

While these statistics indicate that the New York Customs district is the largest in the U.S., NY/NJ market share has been decreasing steadily over the years, even with the continuous investment made in air cargo facilities by the air cargo industry. Airis Corporation, a multi-tenant cargo facility developer, Continental Airlines, United Airlines and Korean Airlines have all made very recent investments in first class cargo handling facilities at JFK. Although New York is the largest consumer market in the country, these first class facilities need transshipment capability for the airport and the cargo community to maintain or grow its market share. This transshipment capability requires an efficient distribution network, which would permit goods arriving in the New York and New Jersey airports to reach not only the local consumer market, but also neighboring markets without international access.

Total Cargo

The three airports in the region, (LaGuardia, J. F. Kennedy International, and Newark Liberty International) handled 2.6 million short tons in 2003. The role of integrators such as Fed Ex and UPS has increased to 32.7 percent from 12 percent in 1987. These vertically integrated carriers rely heavily on surface fleets for door-to-door distribution, much of which is on a just-in-time basis. These fleets take the shape of vans and small trucks, all the way to tractor-trailer trucks. The traditional industry relies on matching multimodal alternatives to reach their ultimate markets and makes extensive use of larger trailer trucks.

Air cargo activity at NY/NJ airports is estimated to directly generate nearly 85,000 jobs, $3.7 billion in wages and $10.9 billion in economic activity. The economic health of the immediate area as well as the availability of products in the retail and manufacturing sectors, locally and regionally, depend on the free movement of goods.

Access

Both international and domestic air cargo require some type of transfer between different modes of transportation to reach their ultimate market. An efficient distribution network

requires multimodal alternatives and access. Air transportation does not exist in a vacuum; efficient and adequate roadway access is necessary for competitive air cargo service, which depends almost exclusively on truck transfers to move to and from airports.

Access to Kennedy International Airport is severely constrained by the failure to construct some of the highways originally approved to serve the airport, and by chronic traffic congestion affecting airport and non-airport-related traffic during peak travel hours. While this paper focuses on cargo access issues, the inadequacy of highway connections to JFK impedes access by passengers and employees alike. It also adversely affects other local commercial centers and residential neighborhoods in surrounding areas of Queens, Brooklyn, and Nassau County.

Compounding the problem for truckers trying to move to and from JFK and nearby businesses, many of the roadways serving or abutting the airport are parkways, or residential streets that do not permit commercial vehicular through traffic. Even on the interstate highway segments serving JFK, regulations unique to the city's arterial network limit permissible truck sizes.

Air cargo generated over 13,000 daily one-way trips on the roadways surrounding Kennedy Airport according to a 2002 traffic engineering survey. Of these trips, 10 percent were made by vehicles with more that 3 axles, 26 percent by single unit trucks and 25 percent by small trucks and vans.

For traffic and economic activity to continue to grow, access to the airport requires a systemic approach to improve the reliability of truck service by reducing congestion and addressing bottlenecks in the roadway network. Airport users, tenants, and nearby communities alike are poorly served by the combination of growing airport and non-airport traffic, on an inadequate highway network with trucking regulations that complicate efficient shipping and routing of cargo.

Travel demand forecasts point toward a worsening of congestion in the future, with significant congestion spreading to more hours of the day and affecting larger segments of the highways serving JFK. Even with continuing gains in transit ridership citywide and expansion of transit alternatives for airport passengers and employees, underlying growth trends are expected to translate into somewhat higher traffic volumes on NYC roadways.

With that in mind, transportation and economic development agencies have identified chronic roadway "bottleneck" locations, unrealized improvements, and regulatory impediments that, if addressed, could improve commercial vehicle access to the airport and ease traffic congestion on residential streets. Many causes contribute to the agencies' inability to date to effect these changes, ranging from historical opposition by some elected officials, concern over perceived community impacts, and a sense of complacency that JFK's cargo business could stay competitive despite substandard road access. Growing concern over the threat to the air-cargo employment centered on JFK provides an opening to build the necessary local support for implementing a balanced package of truck-access improvements.

ACTION PLAN

Near-Term Actions

1. **Problem description: Current State law incorporates a City-requested restriction barring use of tractor-trailer combinations exceeding 53' from servicing locations in the five boroughs, or traversing the City except via a route using I-95, the Throgs Neck Bridge, and the Clearview Expressway to the LIE to access Nassau/Suffolk counties. Longer combinations are typical in the trucking industry and in wide use, notably for air-cargo operations. Use of these vehicles exposes operators to potential summonses.**

   a. **Project**: Amend current regulation in order to allow 53-foot trailer trucks to access Kennedy Airport via the Van Wyck Expressway, pending anticipated reconsideration of this anomalous restriction on a broader basis as part of the new NYCDOT truck-route study and related regional goods-movement assessments.

      i. Benefits:
         1. Facilitate access to the region's largest cargo gateway
         2. Reduce congestion by decreasing the use of smaller trucks operating the route
         3. Formalize the rule so that airport access by standard size trucks does not depend on informal no-ticketing stance taken by NYPD.

      ii. Next steps: Work with FHWA Albany office, NYCDOT and NYSDOT officials to clarify or reform standing regulation and to allow the operation of 53-foot trailer trucks on the Van Wyck Expressway. City support is needed to effectuate this change.

2. **Problem description: Short lead distance (half mile from actual merge) for sign advising northbound Van Wyck automobile traffic to keep right to access Grand Central Parkway contributes to roadway congestion derived from driver confusion.**

   a. **Project**: Reposition signage on the northbound Van Wyck indicating automobile traffic should keep right to access the Grand Central Parkway, giving longer lead distance.

      i. Benefits:
         1. Allow automobiles an earlier opportunity to merge right, minimizing last-minute lane changes and weaving.
         2. Reduce potential for accidents.
         3. Reduce emissions caused by traffic congestion.

      ii. Next step: NYCDOT and NYSDOT approval for new sign placement may be needed. Signage will be installed.

3. **Problem description: Inappropriate use of the service road by traffic that moves on-off the Van Wyck to jump ahead of congestion.**

a. **Project**: Better manage on-off traffic flows on the VWE, thus preventing excessive lane weaving and decreasing congestion.

   i. Benefits:
      1. Decrease traffic on the service roads.
      2. Improve traffic flow by decreasing unnecessary weaving.
      3. Reduce emissions caused by traffic congestion.

   ii. Next step: Completion of AirTrain-related construction and overpass bridge improvements on VWE provides opportunity to consider measures for segment between Jamaica & JFK. More broadly, NYSDOT and NYCDOT would like to discuss its plans for the Van Wyck, including truck over-height detection, use of ITS technology and other measures with potential benefits.

4. **Problem description: Commercial truck and van traffic is permitted only in a limited number of parkways. This adds to traffic pressure on the VWE and Atlantic Avenue, the only through-truck-route on the street network in Brooklyn. It also forces more circuitous routing of many trucks traveling between Southern Queens/southern Brooklyn locations and points west and south of NYC accessible via the Verrazano Narrows Bridge. Permitting smaller vehicles on the Belt and the Cross Island parkways would create a supplemental – and for some cargo more direct – truck access to JFK and other commercial areas in southern Queens and Brooklyn.**

   a. **Project**: Provide access to the Belt Parkway and the Cross Island Parkway for commercial vans.

      i. Benefits:
         1. Decrease commercial truck/van traffic mix on the VWE, and improve larger truck flow in that road.
         2. Improve airport access to Lower Manhattan, Verrazano-Narrows Bridge and New Jersey traffic.

      ii. Next step: Opposition from communities bordering the Belt Parkway has impeded efforts to implement this change. Recent agreement to allow small-truck access on a short segment of the Grand Central Parkway, with local community support, could provide an analogous trial of the benefits and impacts of changing Belt Parkway access. Allowing vans on the Belt is among the strategies modeled in NYMTC's Regional Freight Plan project, and is under discussion in the ongoing NYMTC South Brooklyn Transportation Investment Study, where the community concern can be juxtaposed directly with the borough-wide impacts of inadequate truck access. This issue also will be prominent on the new NYCDOT truck-route study.

5. **Problem description: Atlantic Avenue is a major thoroughfare for commercial truck traffic bound for Kennedy Airport and parking rules are not enforced, with double parking and parking during no-parking periods delaying through traffic.**

a. **Project**: Enforce peak period parking rules on Atlantic Avenue.

i. Benefits:
1. Improve traffic flow on Atlantic Avenue and
2. Provide alternate to Long Island Expressway and decrease commercial traffic spill over to Brooklyn residential streets.

ii. Next step: Bring the issue to City DOT and NYPD attention.

6. **Problem description: Traffic exiting the southbound Van Wyck to join the westbound Belt Parkway must cross three lanes of traffic on North Conduit. The weaving required causes back ups on the Van Wyck and high accident rates in the area. NYCDOT has implemented a signal timing change as a near-term measure to mitigate this problem.**

a. **Project**: Complete the flyover connecting the Van Wyck southbound with the westbound Belt Parkway, approximately a $ 30 M project.

i. Benefits:
1. Reduce congestion on the southbound VWE and improve traffic flow
2. Decrease occasions for accidents
3. Reduce emissions caused by roadway congestion
4. Improve overall traffic flow.

ii. Next step: Discuss Van Wyck improvement program with NYSDOT and determine if there are any interim measures to improve flow. The improvements planned for the Van Wyck are included in the NYSDOT design, but actual construction is planned for 2008, given the current structural work being conducted by the DOT.

7. **Problem Description: Several planned highway projects intended to ensure efficient vehicular access to JFK never were realized, resulting in the airport's over dependence on the Van Wyck Expressway as the primary connection to the interstate highway network, and the only truck-accessible highway to trucks traveling between the airport and points north, west and south. Growth in both regional and airport traffic severely burdens the VWE and connecting highways; forecasts point to worsening conditions during peak weekday and weekend travel hours in the years ahead. Air-cargo industry representatives indicate that the resultant delays and unreliability in transporting cargo to and from the airport its surrounding concentration of cargo facilities is undercutting their ability to retain JFK's share of cargo traffic.**

Project: Initiate a highway corridor study focusing on the Van Wyck Expressway and Clearview Expressway. Project future traffic demand based on forecasts for airport and area wide growth. Establish level-of -service criteria consistent with airport needs and analyze alternatives for improved airport access based on these criteria, including

operational improvements, demand management, capacity management strategies, and expanded roadway capacity.

i. Benefits:

1. Ensure efficient, reliable airport access to help retain concentration of air-cargo employment at and around JFK by maintaining competitive level of accessibility for long-distance cargo moves;
2. Improve mobility for all users of WVE corridor.
3. Improve mobility and air quality for communities bordering VWE by easing forecast congestion on Expressway
4. VWE and Clearview provide most direct access to interstate highway connections with the mainland US; adequate access to that network crucially supports JFK's gateway role and complements supplemental truck access improvements possible via Brooklyn and the Nassau Expressway

ii. Next Step: Review VWE corridor issues, including Clearview Expressway capabilities, with concerned City and State agencies, to lay groundwork for a comprehensive corridor study comparable to the recent Staten Island Expressway and Bronx Arterial Needs Study.

APPENDIX B

(see attached)

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

EXHIBIT A

August 4, 2004 Resolution of Board of Commissioners of the Port Authority

AGREEMENTS WITH THE CITY OF NEW YORK REGARDING JOHN F. KENNEDY INTERNATIONAL AND LAGUARDIA AIRPORTS AND THE WORLD TRADE CENTER SITE

It was recommended that the Board authorize the Executive Director to enter into agreements with the City of New York (the City) pertaining to: (1) amendment and extension of the lease agreement between the City and the Port Authority (City Lease) covering John F. Kennedy International Airport (JFK) and LaGuardia Airport (LGA), together with such related and ancillary agreements with the City or others as may be deemed necessary or appropriate; (2) amendment of the agreement between the City and the Port Authority (PILOT Agreement) concerning payments in lieu of taxes (PILOT) for the World Trade Center (WTC) site (WTC Site); and (3) modification of the agreement between the City and the Port Authority relating to the City's street system and the transfer of title to land adjacent to and within the WTC Site (the WTC Redevelopment Agreement, previously known as the Street Closing Agreement).

The term of the City Lease under which the Port Authority operates JFK and LGA expires December 31, 2015. At its meeting of November 20, 2003, the Board authorized the Executive Director to enter into a Memorandum of Understanding (MOU) with the City with respect to agreements relating to changes in and extension of the City Lease and in the PILOT Agreement, so that: (1) effective January 1, 2002, the provisions of the existing City Lease would be amended and supplemented to, *inter alia*, extend the term to December 31, 2050, and increase the rental payable to the City; (2) the annual PILOT amounts for the WTC Site paid by the Port Authority to the City would be increased, effective January 1, 2004, and the property covered would be expanded; and (3) all pending arbitration and litigation between the City and the Port Authority involving the City Lease and the PILOT Agreement would be terminated with prejudice and without further payment.

Amended and Restated City Lease

As a result of continuing discussions between staff and City representatives, the City Lease is to be amended and restated, effective January 1, 2002, for a term expiring December 31, 2050, on the principal terms outlined below:

Rent – The rent would be as follows:

- *Initial Lump-Sum Payment* – Upon execution of the amended City Lease, the Port Authority would make a lump-sum payment of $500 million to the City. The rent for 2002, 2003 and the portion of 2004 preceding the signing of the amended City Lease based on the rent formula described below, would be paid, with interest, in one lump sum.
- *Minimum Annual Rent* – Commencing as of January 1, 2002, the Port Authority would pay a minimum annual rent (MAR) of $93.5 million, the amount of which would be reset from time to time. After execution of the amended City Lease, MAR would be payable in equal monthly installments, in advance.

- *Rent Formula and Reset Provisions* – Annual rent would be the greater of the MAR, as reset from time to time, or eight percent of gross revenues at JFK and LGA, with the excess over the MAR to be payable the following March. Beginning in 2007, the MAR would be reset every five years to equal ten percent of the average gross revenues at JFK and LGA for the previous five years, but in no event would the MAR be less than the previous year's MAR. Gross revenues would not include federal grants or monies received as a result of any federal statute, regulation or policy, such as Passenger Facility Charges and amounts used for airport security.

Other Terms –

- The amended City Lease would include provisions for default and termination in the event the Port Authority failed to make any payments due under the lease or to provide the City with full information with respect to airport operations, finances and performance standards. The amended City Lease would also include provisions that the parties believe are appropriate in order to resolve outstanding operational issues.
- The ongoing arbitration under the existing lease would be terminated. If, however, the City is required to repay the lump-sum payment(s), the City would have the right to reinstate the arbitration, and to treat that event as a nonpayment of rent and seek termination of the amended City Lease (although the Port Authority may cure the default by offering to settle the arbitration for the amount that the City was required to repay).
- The City also would have the right to terminate the amended City Lease if the Port Authority's obligation to pay rent is held to be invalid or unenforceable, but only if the Port Authority is in fact actually not paying rent or equivalent consideration to the City. In the event that the lease is terminated, the parties are to use all commercially reasonable efforts to negotiate a substitute lease with respect to JFK and LGA.
- The City would have the right to assign the rent under the amended City Lease to a third party, and the assignee would have the right to sue the Port Authority directly in the event of nonpayment of rent, but would not have the right to terminate the amended City Lease.
- The amended City Lease would contain new or revised provisions related to certain portions of the demised premises (and previously surrendered parcels), indemnification provisions, insurance coverage details, and other issues.

IDA Financing – The New York City Industrial Development Agency and other City agencies would be precluded from financing any projects at JFK or LGA during the term of the amended City Lease, except for projects already authorized.

Airport Board – In connection with airport governance, an Airport Board, composed of an equal number of Port Authority and City (appointed by the Mayor) representatives, is to review operations and performance at JFK and LGA on a quarterly basis. Funding for the Airport Board and for a designated City agency providing airport liaison functions is to be provided from the rent payments. In addition, the Port Authority and the City would establish financial and performance standards (which could be supplemented from time to time by the Airport Board) to be used in the review of airport operations. The Airport Board would retain independent consultants for this purpose, and the Port Authority and the City would each provide up to

$250,000 annually for these consultants (with the City's share to be deducted from the rent payable under the amended City Lease).

Queens Capital Projects – In the years 2004-2008, the Port Authority would provide a total of $100 million to fund projects in the Borough of Queens identified by the City and which qualify as being eligible for Port Authority capital expenditures.

Direct Rail Access – The Port Authority would continue to include in its updated Capital Plan a $30 million project to study the feasibility, with respect to engineering, operational and financial considerations, of extending the Port Authority Trans-Hudson rail system from its terminus at Newark Penn Station to Newark Liberty International Airport (EWR PATH Extension). If, based on this study, the Port Authority determines that the EWR PATH Extension is feasible, it would include funding for this project in its Capital Plan. (Based on preliminary estimates, the EWR PATH Extension would cost at least $500 million.) In consultation with the City, the Port Authority also would study the feasibility, with respect to engineering, operational and financial considerations, of establishing a direct rail service connection between JFK and Downtown Manhattan (JFK-Downtown Rail Line), and include in its updated 2004-2008 Capital Plan a $60 million project for this study. If, based on this study, the Port Authority determines that the JFK-Downtown Rail Line is feasible, the Port Authority would include funding for this project in its Capital Plan in an amount equal to the preliminary $500 million cost estimate for the EWR PATH Extension, or the amount of funding actually provided for that project, whichever is less. Construction of the JFK-Downtown Rail Line would not commence until full funding has been arranged.

A number of "side letters or agreements" would be entered into in connection with the amended City Lease, covering the Airport Board (with the performance standards as an attachment), the Queens capital projects, direct rail access, and the prohibition on City agency financing, all substantially as described above.

The amended City Lease is expected to be executed by the City and the Port Authority sometime in October 2004 and, accordingly, the effective term of the MOU would have to be extended through October 31, 2004, beyond its current expiration date of September 30, 2004.

New PILOT Agreement

Pursuant to the 1962 bi-state legislation that authorized the Port Authority to establish, develop and operate The World Trade Center and the Port Authority Trans-Hudson rail system (the WTC Legislation), both the Port Authority and Port Authority Trans-Hudson Corporation (PATH) entered into agreements relating to PILOT amounts with respect to the portions of the WTC Site each occupied. The PATH PILOT Agreement and the Port Authority PILOT Agreement (as modified) collectively provide for a minimum annual payment to the City equal to $1,708,624.03, and for an additional payment with respect to portions of the WTC leased for hotel and retail purposes and for "office use by private persons engaged in carrying on, within the World Trade Center, a profession or trade or business for profit." For the City's property tax year 2001-2002, this additional payment, based on the calculations in the PILOT Agreements and the fully-leased status of the WTC amounted to approximately $28 million after all applicable credits and adjustments. However, as a result of the destruction of the WTC in

September 2001, beginning in the City's property tax year 2002-2003, there are no rentable areas within the WTC buildings, structures, or improvements that are occupied by private tenants, as defined, and the only PILOT amount currently being paid under these Agreements and the WTC Legislation is the minimum payment specified above.

To accommodate the legitimate interests of the City and the Port Authority regarding the redevelopment of the WTC Site, and to provide for PILOT amounts during the period of and following the reconstruction of the WTC PATH Terminal and the other buildings, structures, and improvements comprising the WTC Site, the City and the Port Authority would enter into a new agreement (the New PILOT Agreement). Replacing the existing agreements, the New PILOT Agreement would provide for payments to replace those currently being made by PATH and the Port Authority and for annual payments with respect to all additional properties to which the Port Authority acquires title and which become part of the WTC Site. This specifically includes the City's consent to the inclusion of properties located south of Liberty Street (the Southern Site) within the WTC Site should the Port Authority acquire title to these properties, identified as the land and building at 130 Liberty Street owned by Deutsche Bank Trust Company Americas, land owned by the Hellenic Orthodox Church, and land owned by 140 Liberty Street Associates.

The terms of the New PILOT Agreement would provide that, commencing January 1, 2004, the Port Authority would pay to the City an annual PILOT for the WTC Site equal to twelve percent of all rent payments or payments in lieu of rent received by the Port Authority from the lessees (the Net Lessees) under the lease agreements entered into by the Port Authority, dated as of July 16, 2001 (Net Leases), pertaining to certain components of the WTC, including the proceeds of business interruption or rent insurance from policies procured and maintained by the Net Lessees, which proceeds are paid over to the Port Authority on account of the Net Lessees' rental obligations under the Net Leases, but excluding: (1) any payments on account of taxes or payments in lieu thereof made by the Net Lessees to the Port Authority which are paid by the Net Lessees to the Port Authority and paid over by the Port Authority to the City; (2) pass-through reimbursements, such as business improvement district payments paid by the Net Lessees to the Port Authority; (3) payments for services or utilities furnished by the Port Authority to the Net Lessees or to any space leased to tenants of the Net Lessees pursuant to the Net Leases including, without limitation, common-area charges; and (4) inspection, permit plan review and other application fees paid by the Net Lessees to the Port Authority.

In addition to the minimum annual PILOT amount, the Port Authority would pay the City on account of the WTC Site an annual payment equal to the excess over the minimum annual PILOT payment of an amount obtained by multiplying $55,000,000 (Base Amount) by an "Escalator," which represents the percentage change over the base year (July 2002-June 2003) in the tax rate for Manhattan commercial office properties and the assessed valuation of a benchmark group of Class A office buildings to be mutually agreed upon by the Port Authority and the City, and multiplying that product by the ratio of the amount of commercial space built at the WTC Site to the total amount of commercial space planned under the WTC Site Master Plan (11.4 million gross square feet). This calculation includes PILOT amounts for the site of the 7 WTC building. The payments to be made would be net of all credits against PILOT payments that the Port Authority has become entitled to as a result of previous agreements with the City.

Upon the inclusion of any of the Southern Site properties in the WTC Site, the Port Authority would pay the City a PILOT amount equal to the full amount of real estate taxes that would have been assessed on the land comprising such site if the land were not owned by the Port Authority. In addition to this land payment, during the 15-year period following the commencement of construction on any such site, the Port Authority would pay to the City in connection with each site as to which there is office, retail, or hotel space available for use for the purposes intended, and which (1) are occupied, whether by private parties or by government agencies, including the federal government and the Port Authority, (2) are under lease to any such party, or (3) have been constructed and which, by installation of tenant improvements, may be made ready for occupancy (Actual Additional World Trade Center Properties Space Available), an amount equal to the product obtained by multiplying Nine Dollars by the number of square feet of Actual Additional World Trade Center Properties Space Available for use for the purposes intended, such amount to be adjusted each year by application to such amount of the Escalator established for the original WTC Site for such year.

Under the New PILOT Agreement, the Port Authority would not make any payments on account of land devoted to public park purposes or established as a public open space. The City would be permitted to securitize the payments due from the Port Authority under the agreement, and the Port Authority would not be permitted any right of setoff or counterclaim against such payments. As long as the Port Authority retains title to the WTC Site, the City would cancel or otherwise satisfy and discharge of record all taxes, assessments and interest against the properties currently constituting part of the WTC Site, including the 7 WTC building, properties occupied by PATH, and all improvements to be constructed on the site, and would mark said properties as exempt on its tax records.

The execution of the New PILOT Agreement would not affect the obligations of the Net Lessees under the Net Leases to pay to the Port Authority a portion of the PILOT amounts that the Port Authority is required to pay to the City. Such payments would continue to be made to the Port Authority based on the terms of the Port Authority's PILOT Agreement.

Upon execution of the New PILOT Agreement, all pending arbitration proceedings and litigation concerning the PILOT Agreements would be discontinued with prejudice, without costs to either party.

Modification of Street Closing Agreement

In order to accommodate the construction and development of the WTC, the Port Authority and the City entered into the Street Closing Agreement relating to changes in the City's street system and to the transfer of title land adjacent to and within the WTC Site. At that time, the Port Authority was given title to sub-surface areas (land below a plane 1.35 feet below curb grade) within the WTC's slurry wall, which include portions of Vesey, West and Liberty Streets. At grade, the WTC property line was fixed as the northerly face of buildings abutting Vesey Street, the easterly face of buildings abutting Church Street, the southerly face of buildings abutting Liberty Street and the westerly face of buildings abutting West Street. The Street Closing Agreement required the Port Authority to convey to the City title to all of the land

outside of this property line, which originally was acquired by the Port Authority via condemnation, including the sidewalks and the former street beds. In return, the City was to convey to the Port Authority title to: (1) the portion of Greenwich Street between Barclay Street and Vesey Street within the site of the 7 WTC building, (2) the portion of Greenwich Street between Vesey Street and Liberty Street within the WTC Site, and (3) the portions of Fulton, Dey and Cortlandt Streets between Greenwich and Church Streets within the WTC site. As of this date, the City retains legal title to these former streets, although they have been de-mapped.

The implementation of the WTC Site Master Plan adopted following the destruction of the WTC requires modification to accommodate the redevelopment process for the WTC Site and resolve all property issues related to the present or former streets at the WTC Site. Pursuant to the terms of the WTC Redevelopment Agreement, the City would own the at-grade areas of all streets and sidewalks within the WTC Site and such below-grade areas immediately below the surface of such streets and sidewalks as shall lie above a designated lower-limiting plane. The Port Authority would own all other areas within the WTC Site, including all areas lying below the designated limiting plane. The City would be responsible for maintenance of the City-owned areas of the streets and the sidewalks within the WTC Site. The parties would retain for themselves, and grant to each other, all necessary and appropriate easements for infrastructure, utility and other services. The streets and sidewalks within the WTC Site would be designed and constructed by the Port Authority in accordance with City standards, subject to a mutually agreed-upon security plan that would supersede any existing Memoranda of Understanding between the City and the Port Authority addressing security issues, and the City would operate, manage and maintain the sidewalks and the streets, including traffic patterns and flows, subject to the security plan. Except for streets and sidewalks, the Port Authority would have overall management responsibility for the WTC Site. The City and the Port Authority would mutually agree on all issues relating to curb usage, and the City would consult with the Port Authority on any decisions that would permanently and materially affect vehicular and pedestrian traffic in and through the WTC Site. The Port Authority would develop Design Guidelines consistent with the General Project Plan (GPP) approved by the Lower Manhattan Development Corporation (LMDC). The Design Guidelines would be adopted by LMDC and the Board of Commissioners, with input from involved and interested parties, including the City and the Net Lessees. It is contemplated that the Port Authority would agree with LMDC that the adoption, implementation and modification of all such Design Guidelines would be subject to the agreement of LMDC or any successor. The Port Authority and the City would consult with each other regarding all other major aspects of the WTC redevelopment plan, including phasing, infrastructure development and material funding issues.

Expanding upon a policy adopted by the Board on April 15, 1993, the Port Authority would agree to comply with all applicable Building Code requirements of the City (the Building Code) for all construction work to be performed at the WTC Site, with the exception of certain portions of the permanent WTC PATH Terminal which will comply with the National Fire Protection Association codes. Any proposed variances from the Building Code would require the prior consent of the City Department of Buildings (DOB). Neither the Port Authority nor its lessees and sublessees would be required to obtain any building permits or certificates of occupancy from the City in connection with any construction at the WTC Site. The DOB would

have the right to inspect the WTC Site at any time to determine compliance with the Building Code.

The final terms of the WTC Redevelopment Agreement would be subject to review by the Board's WTC Site Planning Sub-committee.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Gargano, Genova, Pocino, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an "Amended and Restated Agreement of Lease of the Municipal Air Terminals" with the City of New York (the City), covering John F. Kennedy International (JFK) and LaGuardia (LGA) Airports, together with such related and ancillary agreements with the City or others as may be deemed necessary or appropriate, and to extend the Memorandum of Understanding between the Port Authority and the City, dated January 16, 2004 (with respect to JFK and LGA and World Trade Center (WTC) payments in lieu of taxes (PILOT) through October 31, 2004, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with the City to resolve all property issues related to the present or former streets at the WTC Site and relating to PILOT amounts during the period of and following the reconstruction of the Port Authority Trans-Hudson system permanent World Trade Center Terminal (known as the WTC Transportation Hub) and the other buildings, structures, and improvements comprising the WTC Site, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the form of the foregoing agreements shall be subject to the approval of General Counsel or his authorized representative.

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

EXHIBIT B

FORM OF PROJECT LETTER REQUEST

Dear _____:

As provided for in Section B of this Agreement between The City of New York (the "City") and The Port Authority of New York and New Jersey (the "Port Authority") made as of _____, 2004 (the "Agreement"), the City, at the request of the Mayor of the City, hereby asks that the Port Authority concur in the addition of the project described below as an eligible Project under the Agreement:

[DESCRIPTION OF PROJECT – SHOULD INCLUDE AMOUNT ESTIMATED TO BE PROVIDED FOR THE PROJECT, THE IDENTITY OF THE ENTITY RECEIVING FUNDS FOR THE PROJECT, AND INFORMATION NECESSARY FOR THE PORT AUTHORITY TO DETERMINE WHETHER IT QUALIFIES FOR PORT AUTHORITY CAPITAL EXPENDITURES]

The City understands and agrees that all the provisions of the Agreement shall apply to the inclusion of the above-described project as an eligible Project under the Agreement and all references in the Agreement to "Project" or "Projects" shall be deemed to include the above-described project.

Sincerely,

_____
[Deputy Mayor]
The City of New York

CONCURRED:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Date:

By: _____
Executive Director

APPENDIX C

(see attached)

APPENDIX D

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

---------- x

In the Matter of the Arbitration Between

THE CITY OF NEW YORK,

STIPULATION

-and-

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY.

---------- x

Whereas The City of New York ("City") and The Port Authority of New York and New Jersey ("Port") are executing simultaneously herewith an Amended and Restated Agreement of Lease of the Municipal Air Terminals of even date herewith (the "Amended Lease"),

IT IS HEREBY STIPULATED AND AGREED, by and between the parties, represented by the undersigned attorneys, that the above-captioned arbitration, commenced with a Demand for Arbitration dated December 14, 1995 (the "airport arbitration"), is hereby discontinued with prejudice and without costs, subject to the following terms and conditions:

1. In the event that:

(a) the City is required, at any time hereafter, to repay or forfeit the Lump Sum Payment (as said term is defined in the Amended Lease) or any portion thereof; and further

(b) the Port shall not have lawfully and validly paid to the City, within two years from the date of such repayment or forfeiture, an amount equal to so much of the Lump Sum Payment as had been repaid or forfeited, plus interest accruing at the Interest Rate (as said term is defined in the Amended Lease) from the date such amount was repaid or forfeited,

then at the City's option, the City may reinstate the airport arbitration, in which event, the parties' respective positions, claims and defenses in the airport arbitration shall be fully restored to the *status quo ante* as of immediately prior to the execution of this stipulation. Further, the Port acknowledges and agrees that in the event the airport arbitration is so reinstated, the passage of time between the execution of this stipulation and such reinstatement shall not be the basis of any barring defense, including without limitation, based on statute of limitations, *laches* or *estoppel*. In any such reinstated airport arbitration, the total liquidated amount, inclusive of interest, that the City will be entitled to recover from the Port, irrespective of the amount that may be awarded therein to the City, shall be limited to Five Hundred Million Dollars ($500,000,000); and neither party shall recover costs from the other.

2. The rights and remedies set forth in paragraph 1 above shall be in addition to, and not in substitution of, the City's rights and remedies pursuant to the Amended Lease, including without limitation, the right to terminate the Amended Lease and to exercise all other rights and

remedies provided in Section 25 thereof (entitled "Events of Default: Rights and Remedies").

3. The terms and conditions of this stipulation shall survive the expiration or sooner termination of the Amended Lease.

Dated: New York, New York
November 24, 2004

MICHAEL A. CARDOZO
Corporation Counsel of the
City of New York
100 Church Street
New York, NY 10007

By: _____
Nancy F. Brodie
Assistant Corporation Counsel

MILTON H. PACHTER
General Attorney for the Port Authority
of New York and New Jersey
225 Park Avenue South
New York, NY 10003

By: _____
Walter M. Frank
Chief, Commercial Litigation

THIS AIRPORT BOARD AGREEMENT (this "Agreement") is made as of the 24th day of November 2004, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City of New York (the "City") and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of Congress with its offices at 225 Park Avenue South, Borough of Manhattan, City of New York (the "Port Authority").

RECITALS

WHEREAS, the City, as landlord, and the Port Authority, as tenant, entered into that certain Amended and Restated Agreement of Lease of the New York Airports (the "Lease Agreement"), of even date herewith, whereby among other things, the City leased John F. Kennedy International Airport ("JFK") and LaGuardia Airport ("LaGuardia") to the Port Authority (JFK and LaGuardia are sometimes referred to herein collectively as the "New York Airports"); and

WHEREAS, in accordance with Section 15 of the Lease Agreement, the City and the Port Authority desire to establish a board (the "Airport Board") for the purposes of enhancing cooperation between the City and the Port Authority with respect to the management of JFK and LaGuardia and improving oversight of performance, operations and finances at the New York Airports.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Lease Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors as follows:

1. **Definitions.** All terms used herein not otherwise defined herein shall have the meanings given to them in the Lease Agreement.

2. **Airport Board Governance.**

a. Effective as of the date hereof, the Airport Board is hereby established and shall continue in existence until the expiration or sooner termination of the Lease Agreement, at which time this Agreement shall also terminate, and the parties shall have no further rights or obligations hereunder except those that may have accrued prior to such termination.

b. The Airport Board shall, at all times, be comprised of eight (8) members (each, a "Board Member"), half of which Members shall be appointed by the Port Authority (each, a "Port Authority Member") and half of which Members shall be appointed by the City (each, a "City Member").

c. The Port Authority Members shall be (i) the Port Authority's Chief Operating Officer, (ii) the Port Authority's Director of Aviation and (iii) the General Manager of each New York Airport and, in each case, their respective successors in duties, as applicable.

d. The City Members shall be appointed by the Mayor of The City of New York (the "Mayor"). Each of the City Members may be removed, either with or without cause, at any time, by the Mayor. Simultaneously with the removal of a City Member, the Mayor shall appoint a successor Member.

e. Within three (3) months following the execution of this Agreement, the Board Members shall convene and establish procedures to be followed by the Airport Board for the purpose of carrying out the intent of this Agreement, which shall include, without limitation, procedures concerning (i) the scheduling of meetings by the Airport Board on a quarterly basis and the all other meetings that the Board Members are required to attend pursuant to the terms of this Agreement, (ii) the procedures to be followed at each meeting of the Airport Board, (iii) the retaining of consultants, (iv) the preparation of recommendations to be issued by the Airport Board in accordance with this Agreement and (v) the establishment of accounting procedures with respect to the funds received by the Airport Board pursuant to Section 3 of this Agreement.

f. Meetings of the Airport Board shall be held at either of the New York Airports or at such other locations as the Board Members may determine.

3. **Consultants.** The Airport Board may retain consultants to review and report on the operations and performance of the New York Airports, and the Port Authority and the City shall each fund an equal amount of up to $250,000 each annually for the payment of the fees and expenses of such consultants. The contracts with such consultants shall be entered into by the City or EDC on behalf of the Airport Board and in accordance with its authorization. Within thirty (30) days of its receipt from the City or EDC of an invoice for services rendered, the Port Authority shall remit to the City or EDC as the case may be the Port Authority's one-half (1/2) share of the invoiced amount, in accordance with the direction referred to in the Lease Agreement. As provided in the Lease Agreement, the City's one-half (1/2) share of the invoiced amount may, at the City's direction, be deducted from Base Rent thereunder and paid by the Port Authority on the City's behalf or EDC in accordance with the direction referred to in the Lease Agreement.

4. **Responsibilities of Airport Board.**

a. Establishment of Performance Standards. The City and the Port Authority have established certain financial, operational, and performance standards set forth in Exhibit A attached hereto (such standards, as the same may be updated or revised in writing, from time to time, by the Port Authority and the City pursuant to the terms of the Lease Agreement, are hereinafter referred to collectively as the "Performance Standards"), which Performance Standards may be used by the Airport Board, with the assistance of its independent consultants, in connection with the Airport Board's review of the performance of the New York Airports.

b. Review of Performance of New York Airports. Within thirty (30) days prior to each quarterly meeting of the Airport Board, the Port Authority will produce and deliver

to the Airport Board a report (each, a "Performance Standard Report") detailing the performance at each of the New York Airports in relation to the Performance Standards during the immediately preceding calendar quarter. The report and subsequent review by the Airport Board shall include the following areas for examination:

(i) Financial performance;

(ii) Passenger Service (landside); and

(iii) Operational Service (airside).

In the event that a Performance Standard Report indicates a decline in performance in any of the above areas when compared to the immediately preceding Performance Standard Report, the Airport Board may prepare and submit to the Port Authority or the City recommendations on ways to improve such performance.

c. Review of City Service Agreements. At each quarterly meeting of the Airport Board, any City Member or Port Authority Member may make recommendations relating to the services provided by the City to the New York Airports. The Airport Board shall consider each of such recommendations and make recommendations to the City and the Port Authority as to whether and to what extent agreements should be entered into between the City (or one or more of its agencies) and the Port Authority in connection with the provision of such services.

d. Review of Capital Plan of the New York Airports. Within ninety (90) days after the commencement of each fiscal year of the Port Authority, the Port Authority shall deliver to the Airport Board a true, accurate and complete copy of its then current five (5) year capital plan with respect to the New York Airports (each, a "Five Year Plan"). The Airport Board shall have the right to review each Five Year Plan (for information purposes only), and request additional documents, drawings and materials concerning capital improvements. The Port Authority shall not unreasonably withhold additional materials requested by the Airport Board in connection with its review of a Five Year Plan.

e. Traffic and Transportation Management. The Airport Board will meet quarterly with the Port Authority Police Chief and the NYC Taxi and Limousine Commissioner, or their designees, to review taxi and hired car operations at the New York Airports. The Airport Board is empowered to make recommendations pertaining to improved and more efficient traffic management at the New York Airports.

f. Liaison with Subtenants at the New York Airports. The Airport Board may meet periodically with representatives of the Subtenants and other interested parties at JFK and LaGuardia to review concerns and shall relay such concerns to the City and the Port Authority.

5. Miscellaneous. This Agreement: (i) may not be modified except by a writing signed by both of the parties hereto; (ii) may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same

document; (iii) shall be construed in accordance with and governed by the internal laws of the State of New York, without regard to principles of conflicts of law; (iv) shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns but shall not be enforceable by any person, firm, corporation or other entity that is not a signatory to this Agreement; and (v) shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to each of the other parties hereto.

[No further Text on this Page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the duly authorized officers thereof as of the date first written above.

THE CITY OF NEW YORK

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the duly authorized officers thereof as of the date first written above.

THE CITY OF NEW YORK

_____
Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

_____
Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

_____
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

_____
Darrell Buchbinder
General Counsel

EXHIBIT A

Performance Standards

(AIRPORT BOARD AGREEMENT)
EXHIBIT A

AIRPORT PERFORMANCE AND SERVICE STANDARDS

John F. Kennedy International ("JFK") and LaGuardia Airports (together the "New York Airports") serve as both gateways to and economic engines for New York City, the Port Authority of New York and New Jersey and the City of New York recognize that, in accordance with the Lease Agreement, the Port Authority and the City intend that the New York Airports shall be operated and developed as first class facilities that meet the air travel and cargo demands of the City of New York and the surrounding metropolitan region.

To that end, the existence of vigorous measures of quality coupled with effective implementation policies are fundamental both to furthering the reasonable interests of all users of the New York Airports and to ensuring that the airports deliver the types of service at levels of quality that are in the public benefit.

On a quarterly basis the Port Authority will deliver to the City and the Airport Board both Landside and Airside Performance Indicators as set forth below. These Performance Indicators have been selected specifically to measure the New York Airports' **(1) Market Share, (2) Passenger Service, (3) Cargo Service, (4) Operations, (5) Capital Spending, (6) Quality of Service,** and **(7) Community Relations**. These Indicator measurements will be provided to the City and Airport Board both graphically and textually. Recognizing that there is a lag in the receipt of certain data requested, the Port Authority will report the most current data available and it is acknowledged that the timeframe covered for each measure may vary.

The Indicator Measurements to be provided by the Port Authority are as follows:

1. Market Share:

a) Passenger Volume
The Port Authority will provide, on a quarterly basis, rolling 12-month passenger volume for the New York Airports. The volume will be broken out by airport and by month. The Port Authority will provide comparable passenger volume data for the previous 12 months, including the annual percentage increase or decrease, and for the New York Airports' peer airports: Chicago O'Hare (ORD), Miami (MIA), Newark Liberty (EWR), and Boston Logan (BOS), depending on availability.

b) Passenger Rankings
The Port Authority will provide, on a quarterly basis, the ranking of JFK's international traffic relative to Newark Liberty (EWR), Chicago O'Hare (ORD), Miami (MIA), Philadelphia (PHL), Boston Logan (BOS), Atlanta Hartsfield-Jackson (ATL), and Washington Dulles (IAD) for the immediately preceding four quarters.

The Port Authority will provide, on a quarterly basis, the New York Airports' domestic traffic, relative to Newark Liberty (EWR), Philadelphia (PHL), Boston Logan (BOS), Washington National (DCA) and Washington Dulles (IAD) for the immediately preceding four quarters. Domestic traffic will be broken out by both LaGuardia and JFK.

c) Cargo Rankings
The Port Authority will provide, on a quarterly basis, the ranking of the New York Airports' total gross cargo tonnage throughput and total cargo value relative to Newark Liberty (EWR), Atlanta Hartsfield-Jackson (ATL), Philadelphia (PHL), Boston Logan (BOS) and Washington Dulles (IAD). The Port Authority will provide comparable rankings, including annual percentage increases or decreases for the preceding four quarters.

2. Passenger Service:

a) JFK Non-Stop Destinations
The Port Authority will provide, on a quarterly basis, a complete index of cities served non-stop from JFK. The data will be broken out into the following geographic categories: United States, Canada, Mexico, Central America, Caribbean, South America, Europe/Africa/Middle East, and Asia/Pacific.

The Port Authority will provide, on a quarterly basis, the total number of non-stop flights and total number of seats available on non-stop flights from JFK to cities in the following eight geographic regions: United States, Canada, Mexico, Central America, Caribbean, South America, Europe/Africa/Middle East, and Asia/Pacific. The Port Authority will provide comparable data for the previous 12 months, including annual percentage increase or decrease in the total number of non-stop flights and seats.

b) LaGuardia Non-Stop Destinations
The Port Authority will provide, on a quarterly basis, a complete index of non-stop destinations being served from LaGuardia Airport. The data will be broken out into the following geographic categories: Northeast, South, Midwest, West, and International.

The Port Authority will provide, on a quarterly basis, the total number of non-stop flights and of seats available on non-stop flights from LaGuardia to cities in the following geographic regions: Northeast, South, Midwest, West, and International. The Port Authority will provide comparable data for the previous 12 months, including annual percentage increase or decrease in the total number of non-stop flights and seats.

c) Number of Scheduled Air Carriers
The Port Authority will provide, on a quarterly basis, a complete index of scheduled air carriers (excluding affiliates), by quarter, serving JFK and LaGuardia Airports. This index shall include a brief description of geographic area(s) served for each carrier.

The Port Authority will provide a complete index of total new entrants, and geographic area(s) served, as compared to the same data for the immediately preceding fiscal year.

3. Cargo Service:

a) Total Gross Cargo Tonnage Throughput
The Port Authority will provide, on a quarterly basis, the total gross cargo tonnage throughput at the New York Airports. The Port Authority will provide comparable data, showing percentage increase or decrease, for the preceding year.

b) Total GrossCargo Value
The Port Authority will provide, on a quarterly basis, the total gross value of international air cargo throughput for the New York Customs District. The Port Authority will provide comparable data, showing percentage increase or decrease, for the preceding year. N.B. The data is supplied by the U.S. Bureau of Customs and Border Protection and is not broken down by airport, but rather by region, or U.S. Custom District. The New York Custom District includes Newark Liberty International Airport.

c) Origins of New York Airports' Cargo Trade
The Port Authority will provide, on a quarterly basis, a matrix outlining by volume, value and share the cargo arriving at the New York Airports from the following IATA-categorized regions: Asia, North America, Europe, Africa, Middle East, South America, Central America, Southwest Pacific.

d) Destinations of New York Airports' Cargo Trade
The Port Authority will provide, on a quarterly basis, a matrix outlining by volume, value and share the international air cargo exported from the New York Customs District to the following IATA-categorized regions: Asia, North America, Europe, Africa, Middle East, South America, Central America, Southwest Pacific.

e) Commodities by Category
The Port Authority will provide, on a quarterly basis, an index of the top five commodity categories, by volume, value and share, imported and exported via air from the New York Customs District.

f) Cargo Trade by Carrier
The Port Authority will provide, on a quarterly basis, an index outlining total volume and share of cargo traffic into the New York Airports by air carrier.

g) Air Cargo Trends
The Port Authority will provide, on an annual basis, a report outlining key trends in the air cargo industry and the Port Authority's planned response to these trends and recommendations on how the City can assist.

h) Cargo Access

The City will provide a status on the 10 Point Cargo Access Plan **(Attachment A)** and the planned response to administrative and capital funding issues.

4. Operations:

a) Operations with Delay by Cause
The Port Authority will provide, on a quarterly basis, data showing all operations, including delays, at the New York Airports, by airport. The cause of delays will be separated into four categories and reported by percentage. The four categories include: Weather, Volume, Construction, and Other.

b) Incursions
The Port Authority will provide, on a quarterly basis, information indicating the number of runway incursions that have occurred at the New York Airports, by airport, during the immediately preceding quarter. The runway incursion will be separated into the following categories: (1) unauthorized pedestrian, (2) vehicle, or (3)aircraft entering or failing to clear the runway safety area, interfering with an aircraft takeoff or landing.

c) Landing Fees
The Port Authority will provide, on an annual basis, a schedule of its landing fees at the New York Airports, by airport. The Port Authority will indicate percentage increases and decreases of landing fees compared to the preceding fiscal year.

5. Capital Spending:

a) The Port Authority will provide, within ninety (90) days after the approval of the Port Authority's annual budget by the Port Authority Board of Commissioners, a true, accurate and complete copy of its then current five (5) year capital plan with respect to the Municipal Air Terminals. For capital improvements the cost of which is in excess of $50 million, the Port Authority will provide true and accurate complete plans for such projects.

b) The Port Authority will provide, on a quarterly basis, a detailed summary of its current year capital spending at the New York Airports, by airport. This summary will include a breakdown of spending by project.

c) The Port Authority will provide, on a quarterly basis, a summary and brief description of financing inducement resolutions adopted by the Port Authority for capital projects at the New York Airports during the previous quarter.

6. Quality of Service:

Passenger Service Monitor Program
In the first quarter of the first year of the lease, the Port Authority shall present a proposed Passenger Service Monitor Program to the Airport Board for its consultation as to its scope, structure and methodology. The Passenger Service Monitor Program shall include surveys taken regularly, and in no event less than once per year, of a sample of passengers at the New York Airports for their opinions on the range of services provided by the Port Authority, its contractors and vendors. These surveys will be conducted by an independent third party and their scope must, at minimum, measure satisfaction levels for the following categories:

1. General Cleanliness of Public Areas
2. Signage/Wayfinding
3. Helpfulness and Courtesy of Airport Information Staff
4. Personal Safety in Terminal Buildings and on AirTrain system
5. Cost and Convenience of Airport Parking
6. Ground Transportation Availability
7. AirTrain Service

The Port Authority will provide the Airport Board with the results of its Passenger Service Monitor Program on no less than an annual basis. The presentation to the Airport Board will include all results indicating overall passenger satisfaction upon departure from and arrival at all terminals at JFK and LaGuardia Airports and within stations and trains of the AirTrain system. The Port Authority will also provide comparable survey results for the previous two years. The results will be broken out for each of the terminals at the two airports and for the AirTrain; these terminals are:

<u>JFK:</u>
Terminal 1 (T1)
Terminal 2 (T2)
Terminal 3 (T3)
Terminal 4 (T4)
Terminal 6 (T6)
Terminal 7 (T7)
Terminal 8 (T8)
Terminal 9 (T9)

<u>LaGuardia:</u>
Delta Shuttle (DS)
US Airways Terminal (USA)
Delta Main (DM)
Central Terminal Building (CTB)

In those attributes where passenger satisfaction levels have decreased from levels recorded the prior year, the Port Authority shall provide the Airport Board with a specific plan and timeline for remedy of the problem.

The Airport Board, with the majority approval and, at its own expense, may request an expanded scope, more frequent surveys and additional measurements. The Port Authority will retain all proprietary rights associated with the Passenger Service Monitor Program, however all results will be shared openly with both the City of New York and the Airport Board.

7. Community Outreach

a) Aviation Development Council
The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Aviation Development Council. This summary report will include a listing of all grants disbursed, and reports produced during the preceding fiscal year.

b) Queens Council on Airport Opportunity
The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Queens Council on Airport Opportunity, including local hiring numbers at the New York Airports, during the preceding fiscal year.

c) Queens Air Services Development Office
The Port Authority will provide the Airport Board, on an annual basis, a summary report of activities of the Queens Air Services Development Office. This report will include a summary of local procurement of goods and services at the New York Airports during the preceding fiscal year.

Execution Draft

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

THIS AGREEMENT, made as of the 24th day of November, 2004 between THE CITY OF NEW YORK, a municipal corporation of the State of New York having its principal office at City Hall, New York, New York 10007, hereinafter referred to as the "City," and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic created by Compact between the States of New York and New Jersey with the consent of the Congress of the United States, having its principal office at 225 Park Avenue South, New York, New York 10003, hereinafter referred to as the "Port Authority";

WITNESSETH:

WHEREAS, the City and the Port Authority have entered into an Amended and Restated Agreement of Lease of the Municipal Air Terminals (the "Lease Agreement"), of even date herewith, whereby, among other things, the City has leased to the Port Authority John F. Kennedy International Airport and LaGuardia Airport (collectively, the "Municipal Air Terminals"); and

WHEREAS, the operation of the Municipal Air Terminals has a wide-ranging impact on the Borough of Queens in the City of New York ("Queens"); and

WHEREAS, the Board of Commissioners of the Port Authority, at its meeting of August 4, 2004, adopted a Resolution (attached hereto as Exhibit A), authorizing a program of capital expenditures in an aggregate amount not to exceed $100 million for capital projects in Queens, to be designated by the Mayor of the City ("Mayor"); and

WHEREAS, the Board of Commissioners of the Port Authority also authorized the Executive Director of the Port Authority to enter into an agreement to effectuate the provision of funding for such projects, consistent with existing legislation and agreements with the holders of the Port Authority's obligations; and

WHEREAS, the total amount of funding to be provided by the Port Authority to the City under the terms of this Agreement shall be $100 million (the "Funding Amount"), with no more than $20 million to be provided in any single year during the five-year period commencing January 1, 2005, and ending December 31, 2009.

NOW, THEREFORE, the Port Authority and the City hereby agree as follows:

SECTION A –PROJECTS

Each eligible project, as designated pursuant to Section B of this Agreement, shall be a "Project" under this Agreement; such projects are hereinafter collectively referred to in this Agreement as the "Projects."

SECTION B – IDENTIFICATION OF PROJECTS

The City may at any time and from time to time identify projects in the portion of the Port District located in the borough of Queens (which comprises the entire Borough of Queens) for funding under this Agreement pursuant to the authorization of the Board of Commissioners of the Port Authority. Such identification shall be made by the Mayor or his designee in the form of the Project Letter Request attached hereto as Exhibit B. No project for which a request is made by the City shall become a Project under this Agreement unless and until such request has been concurred with in writing by the Port Authority, as provided for in the Project Letter Request. In this regard, the City understands that the Projects to be eligible for funding under this Agreement must qualify as being eligible for Port Authority capital expenditures, which determination shall be made at the sole reasonable discretion of the Port Authority. The Port Authority agrees that it will concur with any proposed Project that is eligible for Port Authority capital expenditures, as determined in accordance with established Port Authority rules, policies and procedures.

Until further notice, each Project Letter Request shall be addressed to the Executive Director of the Port Authority at 225 Park Avenue South, 15th Floor, New York, New York 10003. The Port Authority shall respond to each Project Letter Request within 30 days of its receipt by the Port Authority. If the projects described in such request are not deemed eligible for funding under this Agreement, the Port Authority shall state the reasons therefore in its response, and the City may submit a substitute Project Letter Request for an alternative project.

SECTION C – MANAGEMENT OF PROJECTS

Once the Port Authority has deemed a Project to be eligible, management of the Project shall be the responsibility of the City or, in the Mayor's discretion, the New York City Economic Development Corporation ("EDC"). The City (or EDC, as the case may be) shall designate a Project Manager for each Project and inform the Port Authority of the name and address of such Project Manager.

SECTION D – PAYMENTS BY THE PORT AUTHORITY

The Port Authority's sole responsibility for Projects under this Agreement shall be to provide the Funding Amount to the City, with no more than $20 million to be provided for work incurred in any single year during the five-year period, which will commence on January 1, 2005 and end on December 31, 2009. There shall be no reimbursement for any internal costs that may be incurred by the City and/or EDC in connection with any of the Projects.

The provision of funds by the Port Authority to the City in connection with the Projects shall take place as follows: Upon receipt of an invoice certified by the City that it represents the City's payment of costs incurred in connection with a Project, and after verifying the accuracy and appropriateness of the invoice, the Port Authority will reimburse the City for the amount of such invoice within 30 days of the Port Authority's receipt thereof; provided that, except as otherwise provided below, the Port Authority's payments to the City under this Agreement shall not exceed $20 million in any single year during the five-year period in which the Port Authority is to provide funds to the City. The Port Authority's consent to reimburse the City or EDC after reviewing an invoice shall not be unreasonably withheld. When submitting each request for reimbursement to the Port Authority, the City shall designate whether it wishes the Port Authority to issue its reimbursement payment to the City or EDC. Notwithstanding anything to the contrary herein, if the amount of reimbursement sought by the City from the Port Authority exceeds $20 million in any single year, then the excess amount shall be paid by the Port Authority in the next succeeding year in which the amount for which the City seeks reimbursement, including the excess amount from any previous year(s), does not exceed $20 million; provided that, the total amount paid to the City and/or EDC by the Port Authority pursuant to this Agreement shall not exceed the Funding Amount. In the event that the amount of reimbursement sought by the City from the Port Authority is less than $20 million in any single year, the amount remaining will be added to the amount eligible for reimbursement in the next succeeding year. Notwithstanding anything contrary contained herein, in the event that any portion of the Funding Amount has not been paid to the City and/or EDC prior to January 1, 2010, such unpaid portion of the Funding Amount will be paid to the City as reimbursement for the City's payment of costs incurred in connection with Projects in 2010 and/or succeeding calendar years, until the entire balance of the Funding Amount has been paid to the City and/or EDC in accordance with the terms of this Agreement. The City covenants that the City, EDC and all Project Managers designated by the City will employ their best efforts to ensure that work undertaken in connection with the Projects, and the submission of invoices to the Port Authority for reimbursement, is effectuated expeditiously.

If the Port Authority questions or disputes a charge or charges on an invoice for which payment was made by it, and it is determined through the dispute resolution procedures provided for in this Agreement that the City is required to reimburse the Port Authority for the disputed charge(s), the Port Authority will deduct such amount from its future reimbursement to the City, or the City will reimburse the Port Authority within 30 days of the City's receipt of notification of the resolution of the dispute.

SECTION E - REPORTING REQUIREMENTS

The City shall provide the Port Authority with quarterly reports with regard to the progress of the Projects. The form of such quarterly reports shall contain such information as the Port Authority may reasonably request.

SECTION F – NO PORT AUTHORITY LIABILITY

The Port Authority shall have no responsibility of any kind for any agreement, contract or project utilizing funds provided under this Agreement. Without limiting the generality of the foregoing, the Port Authority shall have no responsibility for the design, effectuation, maintenance, ongoing operation or any other aspect (including all environmental matters) of the Projects or any contract entered into in connection with the Projects. Between the Port Authority and the City, the City hereby assumes the following risks, whether or not they arise from acts or omissions of the City: all risks of loss or damage to property or injury to or death of persons, and risks of other damages, to whomsoever occurring, arising out of or in any way connected with or related to any of the Projects, including, without limitation, the design, effectuation, maintenance, operation or any other aspect (including all environmental matters) of the Projects. The Port Authority shall have no responsibility for providing any monies for the Projects except as provided in this Agreement.

SECTION G – INDEMNIFICATION OF THE PORT AUTHORITY

The City hereby agrees to indemnify and save harmless the Port Authority, its successors, Commissioners, officers, agents, and employees, and each of them, from and against claims, suits, and demands arising out of or in any way connected with or related to any of the Projects, (except any claims, assets and or demands resulting from any action or inaction on the part of the Port Authority other than the approval and/or funding by the Port Authority of Projects hereunder) including the costs of legal defense arising therefrom, for any loss or damage to property or injury to or death of persons, whether said claims, suits or demands are just or unjust, fraudulent or not, and irrespective of whether such risks are beyond the control of the City; provided there shall be no indemnification with respect to suits, claims or demands resulting from actions or inactions of the Port Authority unrelated to its approval of Projects as eligible for Port Authority capital expenditures and its provision of funding for Projects pursuant to the terms of this Agreement.

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

SECTION H – GENERAL

1. By execution, delivery and performance of this Agreement, each party represents to the other that it has been duly authorized by all requisite action on the part of the Port Authority and the City, respectively. This Agreement constitutes the legal, valid and binding obligation of the parties hereto.

2. The Port Authority may, upon reasonable notice, during regular business hours, examine all records of the City relating to the Projects or any agreements entered into in connection with the Projects.

3. It is expressly understood and agreed that any review by the Port Authority of any plans, specifications, drawings, or other similar documents relating to the work performed or to be performed in connection with the effectuation of the Projects or any agreement entered into in connection with or relating in any way to the Projects shall be limited solely to the purpose of ensuring that the Projects do not unreasonably interfere with the Port Authority's operations, and is for the benefit of the Port Authority and not the City.

4. All disagreements under this Agreement shall be submitted to the Executive Director of the Port Authority and the Deputy Mayor for Economic Development and Rebuilding of the City or his successor in function as designated by the Mayor (the "Deputy Mayor") for their review and decision, which decision shall be binding upon the parties. In the event that the Executive Director of the Port Authority and the Deputy Mayor of the City shall disagree, then either party may seek all legal or equitable remedies to the extent permitted by applicable law.

5. Notices and communications under this Agreement shall be in writing and sent via certified mail, return receipt requested, and shall be directed as follows, or to such other address as the party receiving such notice shall have previously specified by notice to the party sending such notice:

If to the Port Authority:

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

If to the City:

Director
Aviation Department
New York City Economic Development Corporation
110 William Street
New York, New York 10038

6. This Agreement shall not be construed to create any rights on behalf of any party other than the Port Authority and the City. Neither this Agreement nor any rights or duties hereunder may be assigned or delegated by either party hereto without the written consent of the other party, and any such purported assignment or delegation shall be null and void and of no force or effect.

7. (a) No Commissioner, director, officer, agent or employee of the Port Authority shall be held personally liable under any provision of this Agreement or because of its execution or attempted execution or because of any breach or alleged breach hereof.

(b) No official, agent or employee of the City shall be held personally liable under any provision of this Agreement or because of its execution or attempted execution or because of any breach or alleged breach hereof.

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

9. The entire agreement between the parties is contained herein and no change or modification, termination or discharge of this Agreement shall be effective unless in writing and signed by the party to be charged therewith.

10. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without reference to choice of law principles.

11. This Agreement may be executed in one or more counterparts, each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

[*No further text on this Page.*]

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

THE CITY OF NEW YORK

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

Approved as to form:

_____
Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

_____

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

THE CITY OF NEW YORK

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

Approved as to form:

_____
Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____
Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

_____
Darrell Buchbinder
General Counsel

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

EXHIBIT A

August 4, 2004 Resolution of Board of Commissioners of the Port Authority

AGREEMENTS WITH THE CITY OF NEW YORK REGARDING JOHN F. KENNEDY INTERNATIONAL AND LAGUARDIA AIRPORTS AND THE WORLD TRADE CENTER SITE

It was recommended that the Board authorize the Executive Director to enter into agreements with the City of New York (the City) pertaining to: (1) amendment and extension of the lease agreement between the City and the Port Authority (City Lease) covering John F. Kennedy International Airport (JFK) and LaGuardia Airport (LGA), together with such related and ancillary agreements with the City or others as may be deemed necessary or appropriate; (2) amendment of the agreement between the City and the Port Authority (PILOT Agreement) concerning payments in lieu of taxes (PILOT) for the World Trade Center (WTC) site (WTC Site); and (3) modification of the agreement between the City and the Port Authority relating to the City's street system and the transfer of title to land adjacent to and within the WTC Site (the WTC Redevelopment Agreement, previously known as the Street Closing Agreement).

The term of the City Lease under which the Port Authority operates JFK and LGA expires December 31, 2015. At its meeting of November 20, 2003, the Board authorized the Executive Director to enter into a Memorandum of Understanding (MOU) with the City with respect to agreements relating to changes in and extension of the City Lease and in the PILOT Agreement, so that: (1) effective January 1, 2002, the provisions of the existing City Lease would be amended and supplemented to, *inter alia*, extend the term to December 31, 2050, and increase the rental payable to the City; (2) the annual PILOT amounts for the WTC Site paid by the Port Authority to the City would be increased, effective January 1, 2004, and the property covered would be expanded; and (3) all pending arbitration and litigation between the City and the Port Authority involving the City Lease and the PILOT Agreement would be terminated with prejudice and without further payment.

Amended and Restated City Lease

As a result of continuing discussions between staff and City representatives, the City Lease is to be amended and restated, effective January 1, 2002, for a term expiring December 31, 2050, on the principal terms outlined below:

Rent – The rent would be as follows:

- *Initial Lump-Sum Payment* – Upon execution of the amended City Lease, the Port Authority would make a lump-sum payment of $500 million to the City. The rent for 2002, 2003 and the portion of 2004 preceding the signing of the amended City Lease based on the rent formula described below, would be paid, with interest, in one lump sum.
- *Minimum Annual Rent* – Commencing as of January 1, 2002, the Port Authority would pay a minimum annual rent (MAR) of $93.5 million, the amount of which would be reset from time to time. After execution of the amended City Lease, MAR would be payable in equal monthly installments, in advance.

- *Rent Formula and Reset Provisions* – Annual rent would be the greater of the MAR, as reset from time to time, or eight percent of gross revenues at JFK and LGA, with the excess over the MAR to be payable the following March. Beginning in 2007, the MAR would be reset every five years to equal ten percent of the average gross revenues at JFK and LGA for the previous five years, but in no event would the MAR be less than the previous year's MAR. Gross revenues would not include federal grants or monies received as a result of any federal statute, regulation or policy, such as Passenger Facility Charges and amounts used for airport security.

Other Terms –

- The amended City Lease would include provisions for default and termination in the event the Port Authority failed to make any payments due under the lease or to provide the City with full information with respect to airport operations, finances and performance standards. The amended City Lease would also include provisions that the parties believe are appropriate in order to resolve outstanding operational issues.
- The ongoing arbitration under the existing lease would be terminated. If, however, the City is required to repay the lump-sum payment(s), the City would have the right to reinstate the arbitration, and to treat that event as a nonpayment of rent and seek termination of the amended City Lease (although the Port Authority may cure the default by offering to settle the arbitration for the amount that the City was required to repay).
- The City also would have the right to terminate the amended City Lease if the Port Authority's obligation to pay rent is held to be invalid or unenforceable, but only if the Port Authority is in fact actually not paying rent or equivalent consideration to the City. In the event that the lease is terminated, the parties are to use all commercially reasonable efforts to negotiate a substitute lease with respect to JFK and LGA.
- The City would have the right to assign the rent under the amended City Lease to a third party, and the assignee would have the right to sue the Port Authority directly in the event of nonpayment of rent, but would not have the right to terminate the amended City Lease.
- The amended City Lease would contain new or revised provisions related to certain portions of the demised premises (and previously surrendered parcels), indemnification provisions, insurance coverage details, and other issues.

IDA Financing – The New York City Industrial Development Agency and other City agencies would be precluded from financing any projects at JFK or LGA during the term of the amended City Lease, except for projects already authorized.

Airport Board – In connection with airport governance, an Airport Board, composed of an equal number of Port Authority and City (appointed by the Mayor) representatives, is to review operations and performance at JFK and LGA on a quarterly basis. Funding for the Airport Board and for a designated City agency providing airport liaison functions is to be provided from the rent payments. In addition, the Port Authority and the City would establish financial and performance standards (which could be supplemented from time to time by the Airport Board) to be used in the review of airport operations. The Airport Board would retain independent consultants for this purpose, and the Port Authority and the City would each provide up to

$250,000 annually for these consultants (with the City's share to be deducted from the rent payable under the amended City Lease).

Queens Capital Projects – In the years 2004-2008, the Port Authority would provide a total of $100 million to fund projects in the Borough of Queens identified by the City and which qualify as being eligible for Port Authority capital expenditures.

Direct Rail Access – The Port Authority would continue to include in its updated Capital Plan a $30 million project to study the feasibility, with respect to engineering, operational and financial considerations, of extending the Port Authority Trans-Hudson rail system from its terminus at Newark Penn Station to Newark Liberty International Airport (EWR PATH Extension). If, based on this study, the Port Authority determines that the EWR PATH Extension is feasible, it would include funding for this project in its Capital Plan. (Based on preliminary estimates, the EWR PATH Extension would cost at least $500 million.) In consultation with the City, the Port Authority also would study the feasibility, with respect to engineering, operational and financial considerations, of establishing a direct rail service connection between JFK and Downtown Manhattan (JFK-Downtown Rail Line), and include in its updated 2004-2008 Capital Plan a $60 million project for this study. If, based on this study, the Port Authority determines that the JFK-Downtown Rail Line is feasible, the Port Authority would include funding for this project in its Capital Plan in an amount equal to the preliminary $500 million cost estimate for the EWR PATH Extension, or the amount of funding actually provided for that project, whichever is less. Construction of the JFK-Downtown Rail Line would not commence until full funding has been arranged.

A number of "side letters or agreements" would be entered into in connection with the amended City Lease, covering the Airport Board (with the performance standards as an attachment), the Queens capital projects, direct rail access, and the prohibition on City agency financing, all substantially as described above.

The amended City Lease is expected to be executed by the City and the Port Authority sometime in October 2004 and, accordingly, the effective term of the MOU would have to be extended through October 31, 2004, beyond its current expiration date of September 30, 2004.

New PILOT Agreement

Pursuant to the 1962 bi-state legislation that authorized the Port Authority to establish, develop and operate The World Trade Center and the Port Authority Trans-Hudson rail system (the WTC Legislation), both the Port Authority and Port Authority Trans-Hudson Corporation (PATH) entered into agreements relating to PILOT amounts with respect to the portions of the WTC Site each occupied. The PATH PILOT Agreement and the Port Authority PILOT Agreement (as modified) collectively provide for a minimum annual payment to the City equal to $1,708,624.03, and for an additional payment with respect to portions of the WTC leased for hotel and retail purposes and for "office use by private persons engaged in carrying on, within the World Trade Center, a profession or trade or business for profit." For the City's property tax year 2001-2002, this additional payment, based on the calculations in the PILOT Agreements and the fully-leased status of the WTC amounted to approximately $28 million after all applicable credits and adjustments. However, as a result of the destruction of the WTC in

September 2001, beginning in the City's property tax year 2002-2003, there are no rentable areas within the WTC buildings, structures, or improvements that are occupied by private tenants, as defined, and the only PILOT amount currently being paid under these Agreements and the WTC Legislation is the minimum payment specified above.

To accommodate the legitimate interests of the City and the Port Authority regarding the redevelopment of the WTC Site, and to provide for PILOT amounts during the period of and following the reconstruction of the WTC PATH Terminal and the other buildings, structures, and improvements comprising the WTC Site, the City and the Port Authority would enter into a new agreement (the New PILOT Agreement). Replacing the existing agreements, the New PILOT Agreement would provide for payments to replace those currently being made by PATH and the Port Authority and for annual payments with respect to all additional properties to which the Port Authority acquires title and which become part of the WTC Site. This specifically includes the City's consent to the inclusion of properties located south of Liberty Street (the Southern Site) within the WTC Site should the Port Authority acquire title to these properties, identified as the land and building at 130 Liberty Street owned by Deutsche Bank Trust Company Americas, land owned by the Hellenic Orthodox Church, and land owned by 140 Liberty Street Associates.

The terms of the New PILOT Agreement would provide that, commencing January 1, 2004, the Port Authority would pay to the City an annual PILOT for the WTC Site equal to twelve percent of all rent payments or payments in lieu of rent received by the Port Authority from the lessees (the Net Lessees) under the lease agreements entered into by the Port Authority, dated as of July 16, 2001 (Net Leases), pertaining to certain components of the WTC, including the proceeds of business interruption or rent insurance from policies procured and maintained by the Net Lessees, which proceeds are paid over to the Port Authority on account of the Net Lessees' rental obligations under the Net Leases, but excluding: (1) any payments on account of taxes or payments in lieu thereof made by the Net Lessees to the Port Authority which are paid by the Net Lessees to the Port Authority and paid over by the Port Authority to the City; (2) pass-through reimbursements, such as business improvement district payments paid by the Net Lessees to the Port Authority; (3) payments for services or utilities furnished by the Port Authority to the Net Lessees or to any space leased to tenants of the Net Lessees pursuant to the Net Leases including, without limitation, common-area charges; and (4) inspection, permit plan review and other application fees paid by the Net Lessees to the Port Authority.

In addition to the minimum annual PILOT amount, the Port Authority would pay the City on account of the WTC Site an annual payment equal to the excess over the minimum annual PILOT payment of an amount obtained by multiplying $55,000,000 (Base Amount) by an "Escalator," which represents the percentage change over the base year (July 2002-June 2003) in the tax rate for Manhattan commercial office properties and the assessed valuation of a benchmark group of Class A office buildings to be mutually agreed upon by the Port Authority and the City, and multiplying that product by the ratio of the amount of commercial space built at the WTC Site to the total amount of commercial space planned under the WTC Site Master Plan (11.4 million gross square feet). This calculation includes PILOT amounts for the site of the 7 WTC building. The payments to be made would be net of all credits against PILOT payments that the Port Authority has become entitled to as a result of previous agreements with the City.

Upon the inclusion of any of the Southern Site properties in the WTC Site, the Port Authority would pay the City a PILOT amount equal to the full amount of real estate taxes that would have been assessed on the land comprising such site if the land were not owned by the Port Authority. In addition to this land payment, during the 15-year period following the commencement of construction on any such site, the Port Authority would pay to the City in connection with each site as to which there is office, retail, or hotel space available for use for the purposes intended, and which (1) are occupied, whether by private parties or by government agencies, including the federal government and the Port Authority, (2) are under lease to any such party, or (3) have been constructed and which, by installation of tenant improvements, may be made ready for occupancy (Actual Additional World Trade Center Properties Space Available), an amount equal to the product obtained by multiplying Nine Dollars by the number of square feet of Actual Additional World Trade Center Properties Space Available for use for the purposes intended, such amount to be adjusted each year by application to such amount of the Escalator established for the original WTC Site for such year.

Under the New PILOT Agreement, the Port Authority would not make any payments on account of land devoted to public park purposes or established as a public open space. The City would be permitted to securitize the payments due from the Port Authority under the agreement, and the Port Authority would not be permitted any right of setoff or counterclaim against such payments. As long as the Port Authority retains title to the WTC Site, the City would cancel or otherwise satisfy and discharge of record all taxes, assessments and interest against the properties currently constituting part of the WTC Site, including the 7 WTC building, properties occupied by PATH, and all improvements to be constructed on the site, and would mark said properties as exempt on its tax records.

The execution of the New PILOT Agreement would not affect the obligations of the Net Lessees under the Net Leases to pay to the Port Authority a portion of the PILOT amounts that the Port Authority is required to pay to the City. Such payments would continue to be made to the Port Authority based on the terms of the Port Authority's PILOT Agreement.

Upon execution of the New PILOT Agreement, all pending arbitration proceedings and litigation concerning the PILOT Agreements would be discontinued with prejudice, without costs to either party.

Modification of Street Closing Agreement

In order to accommodate the construction and development of the WTC, the Port Authority and the City entered into the Street Closing Agreement relating to changes in the City's street system and to the transfer of title land adjacent to and within the WTC Site. At that time, the Port Authority was given title to sub-surface areas (land below a plane 1.35 feet below curb grade) within the WTC's slurry wall, which include portions of Vesey, West and Liberty Streets. At grade, the WTC property line was fixed as the northerly face of buildings abutting Vesey Street, the easterly face of buildings abutting Church Street, the southerly face of buildings abutting Liberty Street and the westerly face of buildings abutting West Street. The Street Closing Agreement required the Port Authority to convey to the City title to all of the land

outside of this property line, which originally was acquired by the Port Authority via condemnation, including the sidewalks and the former street beds. In return, the City was to convey to the Port Authority title to: (1) the portion of Greenwich Street between Barclay Street and Vesey Street within the site of the 7 WTC building, (2) the portion of Greenwich Street between Vesey Street and Liberty Street within the WTC Site, and (3) the portions of Fulton, Dey and Cortlandt Streets between Greenwich and Church Streets within the WTC site. As of this date, the City retains legal title to these former streets, although they have been de-mapped.

The implementation of the WTC Site Master Plan adopted following the destruction of the WTC requires modification to accommodate the redevelopment process for the WTC Site and resolve all property issues related to the present or former streets at the WTC Site. Pursuant to the terms of the WTC Redevelopment Agreement, the City would own the at-grade areas of all streets and sidewalks within the WTC Site and such below-grade areas immediately below the surface of such streets and sidewalks as shall lie above a designated lower-limiting plane. The Port Authority would own all other areas within the WTC Site, including all areas lying below the designated limiting plane. The City would be responsible for maintenance of the City-owned areas of the streets and the sidewalks within the WTC Site. The parties would retain for themselves, and grant to each other, all necessary and appropriate easements for infrastructure, utility and other services. The streets and sidewalks within the WTC Site would be designed and constructed by the Port Authority in accordance with City standards, subject to a mutually agreed-upon security plan that would supersede any existing Memoranda of Understanding between the City and the Port Authority addressing security issues, and the City would operate, manage and maintain the sidewalks and the streets, including traffic patterns and flows, subject to the security plan. Except for streets and sidewalks, the Port Authority would have overall management responsibility for the WTC Site. The City and the Port Authority would mutually agree on all issues relating to curb usage, and the City would consult with the Port Authority on any decisions that would permanently and materially affect vehicular and pedestrian traffic in and through the WTC Site. The Port Authority would develop Design Guidelines consistent with the General Project Plan (GPP) approved by the Lower Manhattan Development Corporation (LMDC). The Design Guidelines would be adopted by LMDC and the Board of Commissioners, with input from involved and interested parties, including the City and the Net Lessees. It is contemplated that the Port Authority would agree with LMDC that the adoption, implementation and modification of all such Design Guidelines would be subject to the agreement of LMDC or any successor. The Port Authority and the City would consult with each other regarding all other major aspects of the WTC redevelopment plan, including phasing, infrastructure development and material funding issues.

Expanding upon a policy adopted by the Board on April 15, 1993, the Port Authority would agree to comply with all applicable Building Code requirements of the City (the Building Code) for all construction work to be performed at the WTC Site, with the exception of certain portions of the permanent WTC PATH Terminal which will comply with the National Fire Protection Association codes. Any proposed variances from the Building Code would require the prior consent of the City Department of Buildings (DOB). Neither the Port Authority nor its lessees and sublessees would be required to obtain any building permits or certificates of occupancy from the City in connection with any construction at the WTC Site. The DOB would

have the right to inspect the WTC Site at any time to determine compliance with the Building Code.

The final terms of the WTC Redevelopment Agreement would be subject to review by the Board's WTC Site Planning Sub-committee.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Blakeman, Chasanoff, Coscia, Gargano, Genova, Pocino, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an "Amended and Restated Agreement of Lease of the Municipal Air Terminals" with the City of New York (the City), covering John F. Kennedy International (JFK) and LaGuardia (LGA) Airports, together with such related and ancillary agreements with the City or others as may be deemed necessary or appropriate, and to extend the Memorandum of Understanding between the Port Authority and the City, dated January 16, 2004 (with respect to JFK and LGA and World Trade Center (WTC) payments in lieu of taxes (PILOT) through October 31, 2004, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into agreements with the City to resolve all property issues related to the present or former streets at the WTC Site and relating to PILOT amounts during the period of and following the reconstruction of the Port Authority Trans-Hudson system permanent World Trade Center Terminal (known as the WTC Transportation Hub) and the other buildings, structures, and improvements comprising the WTC Site, substantially in accordance with the terms and conditions outlined to the Board; and it is further

RESOLVED, that the form of the foregoing agreements shall be subject to the approval of General Counsel or his authorized representative.

AGREEMENT BETWEEN THE CITY OF NEW YORK AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

EXHIBIT B

FORM OF PROJECT LETTER REQUEST

Dear _____:

As provided for in Section B of this Agreement between The City of New York (the "City") and The Port Authority of New York and New Jersey (the "Port Authority") made as of _____, 2004 (the "Agreement"), the City, at the request of the Mayor of the City, hereby asks that the Port Authority concur in the addition of the project described below as an eligible Project under the Agreement:

[DESCRIPTION OF PROJECT – SHOULD INCLUDE AMOUNT ESTIMATED TO BE PROVIDED FOR THE PROJECT, THE IDENTITY OF THE ENTITY RECEIVING FUNDS FOR THE PROJECT, AND INFORMATION NECESSARY FOR THE PORT AUTHORITY TO DETERMINE WHETHER IT QUALIFIES FOR PORT AUTHORITY CAPITAL EXPENDITURES]

The City understands and agrees that all the provisions of the Agreement shall apply to the inclusion of the above-described project as an eligible Project under the Agreement and all references in the Agreement to "Project" or "Projects" shall be deemed to include the above-described project.

Sincerely,

_____
[Deputy Mayor]
The City of New York

CONCURRED:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Date:

By: _____
Executive Director

Execution Draft

DIRECT RAIL AGREEMENT

THIS DIRECT RAIL AGREEMENT (this "Agreement") is made as of the 24th day of November 2004, by and between THE CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City of New York (the "City") and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of Congress with its offices at 225 Park Avenue South, Borough of Manhattan, City of New York (the "Port Authority").

RECITALS

WHEREAS, the City, as landlord, and the Port Authority, as tenant, entered into that certain Amended and Restated Agreement of Lease of the Municipal Air Terminals (the "Lease Agreement") of even date herewith whereby among other things, the City has leased John F. Kennedy International Airport and LaGuardia Airport to the Port Authority;

WHEREAS, the City and the Port Authority recognize the importance of direct rail access ("One-Seat Ride Access") to the region's largest airports in order to ensure the future economic vitality of Lower Manhattan, have agreed to a procedural framework for the study and funding of such links; and

WHEREAS, the City and the Port Authority are committed to such studies and wish to set forth certain procedures to ensure the Port Authority will provide funding for One-Seat Ride access from Lower Manhattan to John F. Kennedy International Airport and Newark Liberty International Airport.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Port Authority hereby mutually undertake, promise and agree, each for itself and its successors as follows:

1. **Definitions.** All terms used herein not otherwise defined herein shall have the meanings given to them in the Lease Agreement.

2. **One-Seat Ride Access to Newark Liberty International Airport.** The Port Authority will continue to include in its 2004-2008 capital plan a $30 million project to study the engineering, operational, and financial feasibility of extending the PATH rail from Newark Penn Station to Newark Liberty International Airport. If, based on this

study, the Port Authority determines that this extension is feasible from an engineering, operational and financial standpoint, then the Port Authority will include funding for this project in its future capital plans. Based on preliminary estimates, this project is expected to cost at least $500 million. Construction of this project will not commence until full funding has been arranged.

3. **One-Seat Ride Access to John F. Kennedy International Airport.** The Port Authority will continue to include in its 2004-2008 capital plan a $60 million project to study, the engineering, operational, and financial feasibility of providing One-Seat Ride Access to Lower Manhattan from John F. Kennedy International Airport. If, based on this study, the Port Authority determines that this connection is feasible from an engineering, operational, and financial standpoint, then the Port Authority will include funding for this project in its future capital plans in an amount equal to the preliminary estimate of $500 million for the Newark Liberty International Airport extension, or the funding actually provided for the Newark Liberty International Airport extension, whichever is greater. Construction of this project will not commence until full funding has been arranged.

4. **Survival.** The provisions of this Agreement shall survive the expiration or sooner termination of the Lease Agreement.

5. **Miscellaneous.** This Agreement: (i) may not be modified except in a writing signed by both of the parties hereto; (ii) may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document; (iii) shall be construed in accordance with and governed by the internal laws of the State of New York, without regard to principles of conflicts of law; (iv) shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns but shall not be enforceable by any person, firm, corporation or other entity that is not a signatory to this letter agreement; and (v) shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to each of the other parties hereto.

[No further Text on this Page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the duly authorized officers thereof as of the date first written above.

THE CITY OF NEW YORK

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the duly authorized officers thereof as of the date first written above.

THE CITY OF NEW YORK

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder
General Counsel

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

---------- x

In the Matter of the Arbitration Between

THE CITY OF NEW YORK,

STIPULATION

-and-

THE PORT AUTHORITY OF NEW YORK AND
NEW JERSEY.

---------- x

Whereas The City of New York ("City") and The Port Authority of New York and New Jersey ("Port") are executing simultaneously herewith an Amended and Restated Agreement of Lease of the Municipal Air Terminals of even date herewith (the "Amended Lease"),

IT IS HEREBY STIPULATED AND AGREED, by and between the parties, represented by the undersigned attorneys, that the above-captioned arbitration, commenced with a Demand for Arbitration dated December 14, 1995 (the "airport arbitration"), is hereby discontinued with prejudice and without costs, subject to the following terms and conditions:

1. In the event that:

(a) the City is required, at any time hereafter, to repay or forfeit the Lump Sum Payment (as said term is defined in the Amended Lease) or any portion thereof; and further

(b) the Port shall not have lawfully and validly paid to the City, within two years from the date of such repayment or forfeiture, an amount equal to so much of the Lump Sum Payment as had been repaid or forfeited, plus interest accruing at the Interest Rate (as said term is defined in the Amended Lease) from the date such amount was repaid or forfeited,

then at the City's option, the City may reinstate the airport arbitration, in which event, the parties' respective positions, claims and defenses in the airport arbitration shall be fully restored to the *status quo ante* as of immediately prior to the execution of this stipulation. Further, the Port acknowledges and agrees that in the event the airport arbitration is so reinstated, the passage of time between the execution of this stipulation and such reinstatement shall not be the basis of any barring defense, including without limitation, based on statute of limitations, *laches* or *estoppel*. In any such reinstated airport arbitration, the total liquidated amount, inclusive of interest, that the City will be entitled to recover from the Port, irrespective of the amount that may be awarded therein to the City, shall be limited to Five Hundred Million Dollars ($500,000,000); and neither party shall recover costs from the other.

2. The rights and remedies set forth in paragraph 1 above shall be in addition to, and not in substitution of, the City's rights and remedies pursuant to the Amended Lease, including without limitation, the right to terminate the Amended Lease and to exercise all other rights and

remedies provided in Section 25 thereof (entitled "Events of Default: Rights and Remedies").

3. The terms and conditions of this stipulation shall survive the expiration or sooner termination of the Amended Lease.

Dated: New York, New York
November 24, 2004

MICHAEL A. CARDOZO
Corporation Counsel of the
City of New York
100 Church Street
New York, NY 10007

By: Nancy F. Brodie
Nancy F. Brodie
Assistant Corporation Counsel

MILTON H. PACHTER
General Attorney for the Port Authority
of New York and New Jersey
225 Park Avenue South
New York, NY 10003

By:
Walter M. Frank
Chief, Commercial Litigation

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

In the Matter of the Arbitration Between

THE CITY OF NEW YORK,

-and-

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY.

STIPULATION

MICHAEL A. CARDOZO
Corporation Counsel of the City of New York
Attorney for The City of New York
100 Church Street, Room 3-127
New York, N.Y. 10007

Of Counsel: Nancy F. Brodie
Tel: (212) 788-8861

ida New York City Industrial Development Agency

November 24, 2004

The Port Authority of New York
and New Jersey
225 Park Avenue South
New York, New York 10003

Re: Financing with respect to the New York Airports

Ladies and Gentlemen:

Reference is hereby made to that certain Amended and Restated Agreement of Lease (the "Lease") being entered into simultaneously herewith by and between The City of New York (the "City") and The Port Authority of New York and New Jersey (the "Port Authority") covering LaGuardia Airport and John F. Kennedy International Airport (collectively, the "Airports").

In consideration for the Port Authority's entering into the Lease, the New York City Industrial Development Agency (the "IDA") hereby agrees that, following the execution and delivery of the Lease by both parties thereto, it will not finance any projects at the Airports, except for projects as to which inducement resolutions have been adopted prior to January 16, 2004 (as listed on Schedule A hereto) and except for refunding of any outstanding IDA bond issues for projects at the Airports (as listed on Schedule B hereto); provided that modifications to a project and/or bond amount from that set forth in an inducement resolution listed on Schedule A hereto shall not be deemed to violate the agreement of IDA contained herein so long as the modified project and/or bond amount are not materially larger than described in the inducement resolution listed on Schedule A.

The agreement of the IDA contained in this letter shall terminate and be of no further force or effect upon the expiration or sooner termination of the Lease.

Very truly yours,

New York City Industrial Development Agency

By: _____
Andrew M. Alper, Chairman

Attachments

Schedule A: Airports - Induced IDA Bond Issues*

Company Name	Bond Amount Induced (in millions)	Project Location
American Airlines, Inc.	$1,300.0	Terminal 8 and 9 at JFK
JetBlue Airways Corporation	$50.0	Building 81 and current site of Building 179 at JFK
JFK International Air CargoCenter, LLC	$67.0	Hangars 3, 4, and 5 at JFK

*Induced prior to January 16, 2004

Schedule B: Airports - Outstanding IDA Bond Issues

Company Name	Bond Amount Issued (in millions)	Closing Date
American Airlines, Inc.	$83.93	09/18/90
Japan Airlines International Co. Ltd.	$115.5	06/13/91
Terminal One Group Association, L.P.	$434.290	07/13/94
American Airlines	$83.085	08/09/94
Korean Airlines Co., Ltd.	$102.0	02/12/97
Northwest Airlines	$32.795	06/30/97
United Airlines, Inc.	$34.235	07/13/97
Air Express International Corporation	$19.0	07/16/97
British Airways, plc	$115.0	12/08/98
Airis JFK I, LLC	$160.26	08/16/01
American Airlines	$500.0	07/31/02
British Airways, plc	$85.0	07/02/02
Continental Airlines	$23.535	11/05/03

QUITCLAIM DEED FROM CITY TO PORT AUTHORITY

THIS INDENTURE made as of November 24, 2004 between the CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (the "**City**"), and THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of Congress with its office at 225 Park Avenue South, Borough of Manhattan, City, County and State of New York (the "**Port Authority**").

WITNESSETH THAT:

WHEREAS, the City and Port Authority intend to enter into an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated as of November 24, 2004 (the "Agreement"); and

WHEREAS, the City desires to dispose to the Port Authority any property interests it owns within (i) that portion of the Light Rail System that the Port Authority has acquired from the People of the State of New York acting by and through the Commissioner of Transportation ('State") by Grant of Permanent Easement made August 19, 2002, a copy of which is attached hereto and made a part hereof as Exhibit A and (ii) the property identified on the tax map of the City of New York as Lot 5, Block 9990, Borough of Queens; the Port Authority desires to convey to the City all property interests it has acquired within such portion of the Light Rail System ("LRS") and in Lot 5, Block 9990, Borough of Queens; and the City desires to accept such property interests and incorporate such property interests conveyed by the Port Authority to the City into the Demised Premises, as such term is defined in the Agreement, by leasing such property interests to the Port Authority under the Agreement; and

WHEREAS, City Planning Commission Resolution # C990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 have authorized such dispositions and acquisitions by the City and the Port Authority's Board of Commissioners has authorized such acquisitions and disposition by the Port Authority by Resolution adopted September 24, 1998.

NOW, THEREFORE, the City and the Port Authority do hereby agree as follows:

The City does hereby remise, release and quitclaim unto the Port Authority, its successors and assigns forever, all right, title and interest of the City, if any, in and to the Property which is described as follows:

A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which

are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;

2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;

3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck

Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;

5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);

6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as **Tax Block 9990, Tax Lot 5**, Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S., a copy of which is attached hereto as Exhibit B.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

Together with the appurtenances and all the estate and rights of the City in and to said premises.

To Have And To Hold the premises herein granted unto the Port Authority, the successors and assigns of the Port Authority forever.

The City, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The Port Authority hereby accepts the conveyance from the City.

No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Indenture or because of its execution or because of any breach or attempted or alleged breach hereof.

This Indenture may be executed in one or more counterparts each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

IN WITNESS WHEREOF, the City has caused its corporate seal to be hereunto affixed and duly attested and this Indenture to be signed by its Deputy Mayor for Economic Development and Rebuilding and by the City Clerk of the City; and the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, of the day and year first written above.

[NO FURTHER TEXT ON THIS PAGE]

Attest:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder HUB
General Counsel

THE CITY OF NEW YORK

By:

City Clerk

By:

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

Attest:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Secretary

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder,
General Counsel

THE CITY OF NEW YORK

By:

City Clerk Michael McSweeney
1st Deputy & Acting City Clerk

By:

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

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

On the 24th day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

TIMOTHY G. STICKELMAN
Notary Public, State of New York
No. 02ST6086913
Qualified In Suffolk County
Commission Expires on February 3, 20 07

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

On the 23rd day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Daniel L. Doctoroff, Deputy Mayor for Economic Development and Rebuilding of THE CITY OF NEW YORK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCOTT E. SHOSTAK
Notary Public, State of New York
No. 02SH4834702
Qualified in New York County
Commission Expires 09/30/2005

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

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

Notary Public

LILIA DWYER
Commissioner of Deeds
City of New York No. 3-7093
Certificate Filed in New York County
Commission Expires Feb. 01, 2012

JOHN F. KENNEDY INTERNATIONAL AIRPORT - AIRPORT ACCESS PROJECT - PROPERTY ACQUISITION

On May 9, 1996, the Board authorized a project (the "Project") for the implementation of an automated Light Rail System ("LRS") between Jamaica and John F. Kennedy International Airport ("JFK"), a link between Howard Beach and JFK, and an LRS circulating within the Central Terminal Area at a total estimated project cost of $1.268 billion, excluding interest on bonded debt. JFK suffers from a lack of public transportation options for access to the facility. In addition, the existing roadway system is unable to adequately address the need for on-airport circulation. The Project will provide connections to regional transportation hubs at the Long Island Railroad station in Jamaica as well as the New York City Transit station in Howard Beach. The LRS will also provide stations on-airport, at the rental car facilities at Federal Circle, the Employee Long-Term Parking Lot, and at the unit terminals for intra-airport transportation of airport customers and employees.

In requesting Project Authorization at the Board's May 9, 1996 meeting, staff noted that at the appropriate time, the Board would be asked to make the necessary findings and authorize acquisition of property interests by negotiation or condemnation. In view of the Project schedule, staff recommends authorization of property acquisition by negotiation at this time. If negotiations with private landowners do not lead to reasonable settlements, staff would conduct a public hearing as required by the New York State Eminent Domain Procedure Act before initiating eminent domain proceedings to acquire the property. Subsequent to such a hearing, the Board would be requested to make the necessary findings and determinations to enable acquisition by condemnation. The JFK LRS Right-Of-Way ("ROW") will occupy lands now owned by, among others, the City of New York, the State of New York, the Long Island Railroad, Rock-Arizona Associates (an Amoco gas station), Web Food Products, Inc. (a parking lot) and Andrew Borone, Dominick Borone and Joseph Borone (an auto service station and parking lot). Staff plans to acquire these lands, and possibly others adjacent to the ROW should the need become apparent.

The Board at its meeting on May 9, 1996 also authorized the Executive Director to apply to the Federal Aviation Administration ("FAA") for additional Passenger Facility Charge ("PFC") collection authority of $823 million and additional PFC use authority of $1.248 billion. An application was submitted to the FAA for the use of PFC funds on July 21, 1997. A Record of Decision for the use of these funds in the amount of $1.148 billion was received on February 9, 1998. An application for the $100 million in PFCs which expired on October 1, 1997, due to the FAA's failure to act by the application's expiration date, will be resubmitted to the FAA. In addition to the $14 million previously approved by the FAA for planning costs for the JFK LRS, an amendment to recover an additional $36 million in planning and preliminary engineering costs will be submitted at the same time. An addendum will also be submitted to the PFC application to permit the Port Authority to reallocate certain Port Authority Capital funds (up to $300 million) to project elements the FAA deems ineligible for PFC funding and to allocate PFCs to other eligible items. The total amount of PFC funds expected to be approved for the project is $1.298 billion. Together with $300 million in Port Authority Capital funds, the total available funds for this project is $1.598 billion, including interest on bonded debt.

Environmental impacts have been and will be assessed and will be taken into consideration in the implementation of the Project and mitigation measures incorporated in the

Project. A Draft Environmental Impact Statement ("EIS"), Written Reevaluation/Technical Report and Final EIS ("FEIS"), were prepared by the FAA along with the New York State Department of Transportation ("NYSDOT") acting as Joint Lead Agency. The FAA prepared Records of Decision approving an amended Airport Layout Plan including the ROW for the LRS and use of PFCs for the Project in compliance with the National Environmental Policy Act. NYSDOT issued a Record of Decision containing Findings in connection with its authorization of property conveyances for the Project in compliance with the New York State Environmental Quality Review Act ("SEQRA"). It is anticipated that the City of New York will also issue Findings in connection with its authorization of City actions in support of the Project which will comply with the City's Environmental Quality Review Regulations which implement SEQRA. Also, it is a condition of FAA Project approval, as noted in NYSDOT's Record of Decision, that the mitigation measures presented in Section 7.0 of the FEIS are the responsibility of the Port Authority. The Port Authority will incorporate the mitigation measures as requirements of the design, construction, and operation contracts or other contracts issued for the Project.

The City of New York (the "City") has advised that it must comply with the provisions of Section 197(c) of the City Charter involving the Uniform Land Use Review Procedure ("ULURP") before it can execute conveyances needed for the Project. The ULURP, entailing Hearings before Community Boards, the Borough Board, the City Planning Commission and possibly the City Council, is expected to take six to nine months to complete. While the Port Authority's ULURP Application is deemed technically complete, pending direction from the City, the Application has not yet been certified as complete so that the ULURP process may begin.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Haley, Kalikow, Lewis, O'Neill, Philibosian, Schweitzer and Song voting in favor; Commissioner Mack abstaining; none against:

> **RESOLVED**, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to acquire on behalf of the Port Authority property interests by negotiation for and in connection with the Air Terminal Access Facilities known as the John F. Kennedy International Airport ("JFK") Airport Access Light Rail System ("LRS") Project including a link between Jamaica and JFK, a link between Howard Beach and JFK and an LRS circulating the Central Terminal Area (the "Project"), such property interests being generally located along and adjacent to the alignment shown on the amended JFK Airport Layout Plan approved, or to be approved, by the Federal Aviation Administration ("FAA") including but not limited to fee title to three privately owned parcels of land known as Block 9990, Lot 5, Block 9989, Lot 11, and Block 9989, Lot 17, on the Tax Map of the City of New York, Borough of Queens, and to incur all related costs and expenses, and execute all documents and agreements, including without limitation, agreements and conveyances, involving transfers of property interests to or from the Port Authority, necessary or incidental to such acquisition or the Project; and to conduct a public hearing under New York State's Eminent Domain Procedure Act, at their discretion; and it is further

RESOLVED, that the Executive Director or General Counsel, either one acting individually, is hereby authorized to execute an agreement or agreements supplemental to the Agreement with respect to the Municipal Air Terminals between the City of New York (the "City") and the Port Authority and associated instruments whereby, among other matters, the City would: (a) transfer and release to the Port Authority the City's right, title and interest in the property interests the Port Authority requires for the Project; (b) accept a conveyance of the permanent property interests acquired for the Project; and (c) simultaneously lease such property interests to the Port Authority as part of the Airport Demised Premises; and it is further

RESOLVED, that the form of all documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

EXHIBIT B

**COPY OF SURVEY OF LOT 5, BLOCK 9990,
BOROUGH OF QUEENS, NEW YORK
PREPARED BY VOLLMER ASSOCIATES**

QUITCLAIM DEED FROM PORT AUTHORITY TO CITY

THIS INDENTURE made as of November 24, 2004 between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, a body corporate and politic, created by compact between the States of New York and New Jersey with the consent of Congress with its office at 225 Park Avenue South, Borough of Manhattan, City, County and State of New York (the "**Port Authority**") and the CITY OF NEW YORK, a municipal corporation of the State of New York with its principal office at City Hall, in the Borough of Manhattan, City, County and State of New York (the "**City**").

WITNESSETH THAT:

WHEREAS, the City and Port Authority intend to enter into an Amended and Restated Agreement of Lease of the Municipal Air Terminals dated as of November 24, 2004 (the "Agreement"); and

WHEREAS, the City has disposed to the Port Authority any property interests it owns within (i) that portion of the Light Rail System that the Port Authority has acquired from the People of the State of New York acting by and through the Commissioner of Transportation ('State") by Grant of Permanent Easement made August 19, 2002, a copy of which is attached hereto and made a part hereof as Exhibit A, and (ii) the property identified on the Tax Map of the City of New York as Lot 5, Block 9990, Borough of Queens by Indenture of even date herewith;

WHEREAS, the Port Authority now desires to convey to the City all property interests it owns within such portion of the Light Rail System ("LRS") and in Lot 5, Block 9990, Borough of Queens, and the City desires to accept such property interests and incorporate such property interests conveyed by the Port Authority to the City into the Demised Premises, as such term is defined in the Agreement, by leasing such property interests to the Port Authority under the Agreement; and

WHEREAS, City Planning Commission Resolution # C990117 PQQ/C 990118 PPQ adopted May 3, 1999 and City Council Resolution # 864 adopted June 7, 1999 have authorized such dispositions and acquisitions by the City and the Port Authority's Board of Commissioners has authorized such acquisitions and disposition by the Port Authority by Resolution adopted September 24, 1998.

NOW, THEREFORE, the Port Authority and the City do hereby agree as follows:

The Port Authority does hereby remise, release and quitclaim unto the City, its successors and assigns forever, all right, title and interest of the Port Authority in and to the Property which is described as follows:

A. Permanent aerial, surface and subsurface easements for the construction, reconstruction, operation, inspection, maintenance and repair of the LRS, which easements are more specifically defined herein over all those pieces or parcels of property in the Fourth Ward of the Borough Queens, City of New York, County of Queens, State of New York, which are shown and described as Aerial Parcels or Easements, Column Parcels or Easements, and Subsurface Parcels or Easements, of Segments CR – 402 through CR – 415 of a series of maps entitled, "THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY AIRTRAIN PROJECT, JFKIA-JAMAICA SEGMENT, ALTA/ACSM LAND TITLE SURVEY, A PORTION OF VAN WYCK EXPRESSWAY, SEGMENT CR-(402 THROUGH 415), BOROUGH OF QUEENS, QUEENS COUNTY, STATE OF NEW YORK", prepared by Vollmer Associates LLP, dated February 28, 2002, bearing Project Number 2001-003-03 and filed contemporaneously in the Office of the Register of Deeds, Queens County on September 17, 2002 with the Grant of Permanent Easement between The People of the State of New York, acting by and through Joseph H. Boardman, the Commissioner of Transportation of the State of New York and the Port Authority of New York and New Jersey made August 19, 2002 and recorded at Reel 6582, Page 0118 *et seq.*, City Register Serial Number 128069.

Subject, however, to the provisions of the aforesaid Grant of Permanent Easement made August 19, 2002.

B. All that certain plot, piece or parcel of land situate, lying and being in the Fourth Ward of the Borough of Queens, City of New York, County of Queens, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 94th Avenue formerly Johnson Avenue (50 feet wide) with the easterly side of Van Wyck Expressway (Service Road); said corner having a New York State Coordinate System (NAD 83-96) value of N 58916.0472 meters E 315799.1275 meters (N193293.7316 feet E1036084.3037 feet);

1. Running thence North 69 degrees 25 minutes 33.1 seconds East along the southerly side of 94th Avenue, 63.627 meters (208.75 feet) to a point on the division line between property now or formerly of David Oil Corp. and property now or formerly of Carole A. Murray and Thomas D. Murray;

2. Running thence along said division line South 20 degrees 34 minutes 26.9 seconds East, at right angles to the southerly side of 94th Avenue, 25.292 meters (82.98 feet) to a point;

3. Running thence South 66 degrees 54 minutes 37.1 seconds West along the division line between property now or formerly of David Oil Corp. and the following properties: property now or formerly of Edgardo E. Contreras; property now or formerly of David Byrd, Patricia Portis, and Gary Michael Byrd; property now or formerly of Cheryl Winter Naipaul and Gagnatti Naipaul; property now or formerly of Joseph F. Nowinski and Jennie Nowinski; property now or formerly of Stanley P. Francosky, et al; and property

now or formerly of Mohamed Shafi and Ramdai Shafi, said line forming an interior angle of 92 degrees 30 minutes 56 seconds with the last mentioned course, 39.127 meters (128.37 feet) to a point in a line distant 34.013 meters (111.59 feet) northerly from the northerly side of 95th Avenue, drawn at right angles thereto, from a point thereon and distant 13.283 meters (43.58 feet) easterly from said easterly side of Van Wyck Expressway (Service Road);

4. Running thence South 20 degrees 34 minutes 26.9 seconds East along the division line between property now or formerly of David Oil Corp. and property now or formerly of Mohamed Shafi and Ramdai Shafi, at right angles to the northerly side of 95th Avenue, formerly Chichester Avenue, 34.013 meters (111.59 feet) to the northerly side of 95th Avenue;

5. Running thence South 69 degrees 25 minutes 33.1 seconds West along the northerly side of 95th Avenue, 13.283 meters (43.58 feet) to the corner formed by the intersection of the said northerly side of 95th Avenue and the easterly side of Van Wyck Expressway (Service Road);

6. Running thence North 31 degrees 01 minutes 19.1 seconds West along the easterly side of Van Wyck Expressway (Service Road), 62.054 meters (203.59 feet) to the point and place of beginning.

Containing 2176.289 square meters (23425.28 square feet) or 0.218 Hectare (0.538 acre).

Also known as **Tax Block 9990, Tax Lot 5,** Borough of Queens, City of New York.

Being the premises shown on an ALTA/ACSM Land Title Surveys of Lot 5, Block 9990, Queens, New York, prepared by Vollmer Associates, dated February 15, 2000 and signed by Kenneth J. Stigner, L.S., a copy of which is attached hereto as Exhibit B.

Being the same premises conveyed to the Port Authority by David Oil Corp. by Indenture made November 3, 2000 recorded with the Office of the Register of Deeds, Queens County, November 29, 2000 at Reel 5732, Page 0424 *et seq.*, City Register Serial Number 113076

All bearings refer to The New York Coordinate System of 1983-96, Long Island Zone 3104.

Together with the appurtenances and all the estate and rights of the Port Authority in and to said premises.

Together with all right, title and interest, if any, of the Port Authority in and to any streets and roads abutting the above described premises to the center line thereof.

To Have And To Hold the premises herein granted unto the City, the successors and assigns of the City forever.

The Port Authority, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The City hereby accepts the conveyance from the Port Authority.

No Commissioner, director, elected official, officer, agent, representative or employee of the Port Authority or the City shall be charged personally by either party hereto with any liability or held personally liable under any of the terms or provisions of this Indenture or because of its execution or because of any breach or attempted or alleged breach hereof.

This Indenture may be executed in one or more counterparts each of which counterparts shall be deemed an original and all of which counterparts shall constitute one and the same document.

IN WITNESS WHEREOF, the Port Authority has caused its corporate seal to be hereunto affixed and duly attested and this Agreement to be signed by its Executive Director, of the day and year first written above and the City has caused its corporate seal to be hereunto affixed and duly attested and this Indenture to be signed by its Deputy Mayor for Economic Development and Rebuilding and by the City Clerk of the City.

[NO FURTHER TEXT ON THIS PAGE]

Attest:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder
General Counsel

HKB

THE CITY OF NEW YORK

By:

City Clerk

By:

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

Attest:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Secretary

Kenneth J. Ringler, Jr.
Executive Director

Approved as to form:

Darrell Buchbinder,
General Counsel

THE CITY OF NEW YORK

By:

City Clerk

Michael McSweeney
1st Deputy & Acting City Clerk

By:

Daniel L. Doctoroff
Deputy Mayor for Economic Development
and Rebuilding

Approved as to form:

Acting Corporation Counsel

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

On the 24th day of November 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared KENNETH J. RINGLER, JR., Executive Director of the PORT AUTHORITY OF NEW YORK AND NEW JERSEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

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

Notary Public

LILIA DWYER
Commissioner of Deeds
City of New York No. 3-7093
Certificate Filed in New York County
Commission Expires Feb. 01, 20

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

On the 23rd day of November, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Daniel L. Doctoroff, Deputy Mayor for Economic Development and Rebuilding of THE CITY OF NEW YORK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCOTT E. SHOSTAK
Notary Public, State of New York
No. 02SH4834702
Qualified in New York County
Commission Expires 09/30/2008

EXHIBIT A

COPY OF GRANT OF PERMANENT EASEMENT
DATED AS OF AUGUST 19, 2002
FROM THE PEOPLE OF THE STATE OF NEW YORK