PORT NEWARK – CITRUS PRODUCTS, INC. – LEASE L-PN-288 – NEW LEASE

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with Citrus Products, Inc. (Citrus) for approximately 4.3 acres at Port Newark, consisting of approximately 61,000 square feet of building space and approximately 126,235 square feet of associated open area, for a 25-year term, commencing on or about November 1, 2008 and expiring on October 31, 2033, for the continued operation of an orange juice storage facility.

In April 1984, the Board authorized a 25-year lease (the Existing Lease) with Citrus (previously known as Interamerican Juice Co., Inc.) covering an approximately 187,000-square-foot site and the use of Berth 24 at Port Newark for the establishment of a bulk storage facility for the receipt, storage, blending, processing, packaging and distribution of orange juice concentrates and other fruit juices. The Existing Lease commenced on June 1, 1985 and is to expire in May 2010.

Under this proposed authorization, Citrus would enter into a new lease that would extend its occupation of its current premises through October 2033. Upon execution of the new lease agreement, the Existing Lease would be superseded.

The total aggregate rental under the proposed new lease would be between $22.5 million and $26.7 million over the term of the agreement. Citrus would be required to provide a minimum of 100,000 metric tons of wharfage activity across Berth 24 during each lease year, and would be required to provide a minimum dockage activity during each lease year. In addition, Citrus would be required to invest an additional $15 million by October 2020 for the further development of its orange juice tank farm and operations, adding additional throughput capacity to the current operation. If Citrus did not make the required $15 million investment by October 2020, the Port Authority would have the right to terminate the agreement, effective immediately.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Bauer, Blakeman, Chasanoff, Coscia, Hochberg, Holmes, Mack, Pocino, Sartor, Silverman 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 a lease agreement with Citrus Products, Inc. covering approximately 4.3 acres at Port Newark for a 25-year term, commencing on or about November 1, 2008 and expiring on October 31, 2033, for the continued operation of an orange juice storage facility, substantially in accordance with the terms outlined to the Board; and it is further
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> **RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.