PORT NEWARK – FAPS, INC. – LEASE L-PN-266 – SUPPLEMENT

It was recommended that the Board authorize the Executive Director to enter into a supplemental lease agreement with FAPS, Inc. (FAPS) for the addition of approximately 20 acres to FAPS's existing premises under Lease L-PN-266 at Port Newark.

FAPS, formerly known as Foreign Auto Preparation Service, Inc., has been a vehicle-processing tenant at Port Newark since 1956. FAPS currently leases, through December 31, 2019, approximately 198 acres in Port Newark under Leases L-PN-265 and L-PN-266.

Mazda Motor of America, Inc. (Mazda) is currently relocating its vehicle processing operations to become a customer of FAPS in Port Newark, and the 20 additional acres to be added to FAPS's Lease L-PN-266 premises pursuant to this authorization would enable FAPS to accommodate Mazda's business. Approximately 17 acres would be added effective November 1, 2008, and the remaining approximately three acres would be added to the leasehold upon the demolition of Building 291, which is scheduled to be completed by the end of 2008.

The total aggregate rental for the added premises is expected to be between $14.9 million and $16.3 million. In addition, minimum throughput and incentive totals (which are combined for Leases L-PN-265 and L-PN-266) would be adjusted to reflect the premises to be added under Lease L-PN-266 pursuant to this authorization.

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 supplemental lease agreement with FAPS, Inc. for the addition of approximately 20 acres to FAPS's leased premises in Port Newark under Lease L-PN-266, 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 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.