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AMENDED AND RESTATED

LEASE AND OPERATING AGREEMENT

By and Between

PHILADELPHIA REGIONAL PORT AUTHORITY

and

DELAWARE RIVER STEVEDORES, INC.

DATED: August 15, 2002

EXEMPT
NOV 1 2002
Under the Shipping Act of 1984
Federal Maritime Commission

INDEX

SECTION		PAGE
	ARTICLE I - GRANT OF LEASE; INDEPENDENT OPERATOR	
1.1	Grant of Lease	1
1.2	Independent Contractor	2
1.3	Use of the Premises	2
	ARTICLE II - COMMENCEMENT DATE; TERM	
2.1	Commencement Date	3
2.2	Term	3
2.3	Surrender of Possession; Holdover	4
2.4	DRS' Inspection of the Premises and the Cranes	4
	ARTICLE III - RENT; PAYMENTS	
3.1	Base Rent	4
3.2	Late Charges	5
3.3	Rent	5
3.4	Operating Expenses	6
3.5	Crane Relocation or Purchase Expenses	6
3.6	Other Cargo and Business Opportunities	6
	ARTICLE IV - MINIMUM PERFORMANCE REQUIREMENTS	
4.1	Minimum Vessel Calls	7
4.2	Minimum Tonnage	7
4.3	Penalties for Failing to Satisfy the Minimum Performance Requirements	7
	ARTICLE V - MECHANISMS FOR ASSURING COMPLIANCE WITH THE MINIMUM PERFORMANCE REQUIREMENTS AND OBLIGATIONS	
5.1	Letter of Credit	8
5.2	Guaranties	8
	ARTICLE VI - PRPA'S RIGHT OF ACCESS TO THE PREMISES	
6.1	Visitors	8
6.2	Property Under DRS' Control	8

6.3 Inspection 9
6.4 Utility Lines and Easements 9

ARTICLE VII - OPERATION OF THE PREMISES

7.1 Equipment 9
7.2 Cranes 9
7.3 Continuous Operation 9
7.4 Capital Improvements 10
7.5 Subleases of DRS 10
7.6 Contracts 10
7.7 Utilities 10
7.8 Open Vessel Stevedoring 10

ARTICLE VIII - INSURANCE; INDEMNIFICATION

8.1 Property Insurance 11
8.2 Liability Insurance 11
8.3 Workers' Compensation Insurance 12
8.4 Automobile Insurance 12
8.5 Waiver of Subrogation 12
8.6 Insurance; General 12
8.7 Accident Reports 13
8.8 Liability for Damages Caused by Third Parties 14
8.9 Release and Indemnification 14

ARTICLE IX - MAINTENANCE, REPAIR, EQUIPMENT AND IMPROVEMENTS

9.1 PRPA's Obligations 15
9.2 DRS' Obligations 15
9.3 Repair 16
9.4 Condition Survey 16
9.5 Fire Systems 16
9.6 Load Limits 16
9.7 Condition and Surrender of the Premises 16
9.8 Access 17
9.9 PRPA's Rights 17
9.10 DRS' Improvements 17

ARTICLE X - TAXES

10.1 Taxes 19
10.2 Appeals 19

ARTICLE XI - ENVIRONMENTAL MATTERS

11.1 Environmental Matters 19
11.2 DRS' Representations, Warranties and Covenants 19
11.3 Permitted Substances 20
11.4 Storage Tanks 20
11.5 PRPA's Right of Access and Inspection 20
11.6 Violations - Environmental Defaults 21
11.7 Additional Rent 21
11.8 Indemnification 21
11.9 Definitions 22
11.10 Disposal and Removal of Solid Wastes 23
11.11 Remedies 23
11.12 Survival 23
11.13 Limitations 23

ARTICLE XII - ASSIGNMENT; LEASING AND LICENSING

12.1 Assignment; Leasing and Licensing 23
12.2 PRPA's Assignment and Successors 23
12.3 Terms Binding on Successors 24

ARTICLE XIII - DRS' COVENANTS

13.1 Liens and Encumbrances 24
13.2 PRPA Regulations 24
13.3 Security 24
13.4 Railroads 24
13.5 Fire Safety 24
13.6 Sanitation 24
13.7 Explosives 24
13.8 Snow and Ice 25

ARTICLE XIV - DAMAGE TO THE PREMISES

14.1 Damage and Destruction 25

ARTICLE XV - WAIVER

15.1 Waivers 26

ARTICLE XVI - MECHANIC'S LIENS

16.1 Mechanic's Liens 26

ARTICLE XVII - EMPLOYMENT PRACTICES

17.1 Employment Practices 26

ARTICLE XVIII - REMEDIES

18.1 PRPA's Remedies 27
18.2 True Copies of Agreement 29
18.3 No Exhaustion of Powers 29
18.4 Waiver of Exemptions 29
18.5 Remedies Cumulative 29
18.6 DRS' Warranty 29

ARTICLE XIX - SIGNS

19.1 Signs 30

ARTICLE XX - REPRESENTATIONS AND WARRANTIES OF DRS

20.1 Authorization 30
20.2 Non-Conflict 30

ARTICLE XXI - EMINENT DOMAIN

21.1 Title to Award 30
21.2 Permanent Taking 30
21.3 Temporary Taking 31
21.4 DRS' Recovery of Unamortized Capital Improvements 31

ARTICLE XXII - MISCELLANEOUS

22.1 Notices 32
22.2 Applicable Law 33
22.3 Gender and Number 33
22.4 Captions 33
22.5 Counterparts 33
22.6 DRS' Successors and Assigns 33
22.7 PRPA's Successors and Assigns; Limitation of Liability 33
22.8 Invalidity of Provisions 34
22.9 No Joint Venture 34
22.10 Exhibits 34
22.11 No Recordation 34
22.12 Time of Essence 34
22.13 Business Interruption 34
22.14 Entire Agreement 34

22.15	Liability of the Commonwealth	35
22.16	Marketing	35
22.17	Operations Oversight Team	35
22.18	Statutory Authority	35
22.19	DRS Integrity Provisions	35
22.20	Books, Records and Reports	35
22.21	Estoppel Certificates	36
22.22	Force Majeure	36

Exhibits

"A"	The Premises
"B"	Permitted Exceptions
"C"	DRS Subleases and Contracts Pertaining to the Premises
"D-1"	Guaranty by P&O Ports
"D-2"	Guaranty by Stevedoring Services of America, Inc.
"E"	Inventory of Crane Parts
"F"	Load Limits
"G"	Guidelines Regarding Explosives
"H"	Employment Practices Requirements
"I"	DRS Integrity Provisions
"J"	Activity Report

THIS AMENDED AND RESTATED LEASE AND OPERATING AGREEMENT (this "Agreement") is made this 15th day of August, 2002 by and between the **PHILADELPHIA REGIONAL PORT AUTHORITY** ("PRPA"), a body corporate and politic and an independent agency of the Commonwealth of Pennsylvania, having its principal place of business at 3460 North Delaware Avenue, Philadelphia, Pennsylvania 19134, and **DELAWARE RIVER STEVEDORES, INC.** ("DRS"), a corporation incorporated under the laws of the Commonwealth of Pennsylvania, having its principal place of business at 441 North Fifth Street, Suite 101, Philadelphia, Pennsylvania 19123.

W I T N E S S E T H:

WHEREAS, PRPA owns or leases the Premises (as hereinafter defined at Section 1.1); and

WHEREAS, PRPA is authorized under Section 6 of the Act of July 10, 1989, P.L. 55, P.S. Sections 697.1-697.24 (the "PRPA Act") of the General Assembly of the Commonwealth of Pennsylvania (the "Commonwealth") to make and enter into contracts for the leasing, management and operation of "port facilities," as such are defined in the PRPA Act; and

WHEREAS, the Board of PRPA wishes, pursuant to Board Resolution No. 2002-17 adopted on June 19, 2002, to continue to lease the Premises to DRS and to provide for the operation and management of the Premises by DRS;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound, the parties hereby agree as follows:

ARTICLE I - GRANT OF LEASE; INDEPENDENT OPERATOR

1.1 Grant of Lease.

1.1.1 PRPA hereby demises, leases, and rents to DRS, and DRS hereby leases from PRPA, the following property under the terms and conditions set forth herein (the "Premises"):

(i) the real property as more particularly described in the narrative description and as shown on the plan, both of which are attached hereto as Exhibit "A", and commonly known as the Tioga Breakbulk Terminal, Tioga Marine Terminal, and Tioga Container Terminal, together with all appurtenant rights thereto; and

(ii) such buildings, structures, facilities and improvements which are presently on the real property described in and shown on Exhibit "A" and all fixtures and equipment thereon (exclusive of any such fixtures or equipment owned by DRS or sublessees of DRS) and any and all cranes located at any time thereon including, without limitation, the two (2) Kocks cranes presently located thereon (the "Cranes").

1.1.2 This Agreement and the Premises shall be subject to the permitted exceptions set forth on Exhibit "B" hereto (the "Permitted Exceptions"); provided, however, that to the extent any of the Permitted Exceptions prevents DRS from performing any of its obligations pursuant to Article IV hereof, such performance shall be excused but if such non-performance pertains to a material obligation on the part of DRS, PRPA may terminate this Agreement upon notice to DRS.

1.2 Independent Contractor. DRS shall be an independent contractor in the performance of its obligations under this Agreement. Any employees of DRS hired to perform services or activities at the Premises shall be the employees of DRS solely, and PRPA shall not be a joint employer of any of DRS' employees. In addition, any employees of any company contracted by DRS to perform any services shall be the employees of such company solely, and PRPA shall not be a joint employer of any such employees. DRS and any company contracted by DRS shall have the exclusive right to supervise and direct the day-to-day activities of all persons who perform services for them, and they shall have sole responsibility with respect to such persons, including without limitation the responsibility to determine and pay their wages and any benefits, to fulfill all applicable requirements under any collective bargaining agreements and to pay all federal, state and local taxes or contributions imposed or required under unemployment, workers' compensation, social security, wage and income tax laws with respect to them. There shall be no direct or indirect participation by PRPA in any employee relations matters concerning those persons employed by or through DRS.

1.3 Use of the Premises.

1.3.1 DRS shall use the Premises as a marine terminal, which is hereby defined as a facility for: (i) the docking and mooring of vessels; (ii) the receipt, assembling, distributing, moving, loading and unloading of merchandise, goods and cargo in containers, bulk and breakbulk into and from such vessels, trucks and railcars; (iii) the provision of berth space and/or terminal services to vessels of all kinds; (iv) the consolidating, stuffing and stripping, storing and warehousing of merchandise, goods and cargo; (v) the transferring of merchandise, goods and cargo to, from, and between cargo vessels of all kinds, trucks and railcars; and (vi) marine activities similar to the foregoing as approved by PRPA (collectively, the "Permitted Use"). DRS shall not use the Premises for any purpose other than the Permitted Use. If, in the reasonable opinion of PRPA, the Premises or any part thereof is being used for any use or purpose other than the Permitted Use, DRS shall immediately cease, or cause any tenant, licensee or occupant of the Premises to cease, such improper use following receipt of notice from PRPA to DRS. DRS' failure to comply with such notice shall constitute a default by DRS of this Agreement, entitling PRPA to exercise its remedies under Article XVIII, without the necessity of PRPA providing DRS with any additional notice; provided, however, that if any tenant, licensee or occupant of the Premises is using the Premises for any purpose other than the Permitted Use, DRS shall have a reasonable period of time to cause the cessation of such improper use (provided that DRS uses its best efforts to commence, within fifteen (15) calendar days following notice of such use, all necessary and appropriate action to cause the cessation of such improper use and diligently proceeds in the prosecution of such action as expeditiously as possible).

1.3.2 DRS shall not use or permit the Premises to be used in whole or in part during the Term of this Agreement for any purpose or for any use in violation of, and shall operate the Premises in compliance with, any and all present or future laws, ordinances, general rules or regulations of any Federal, State or local public or governmental authority or agency at any time applicable thereto (collectively "Laws") including, without limitation, the Laws of the Commonwealth and the City of Philadelphia, relating to, by way of example only and not limitation, sanitation or the public health, safety or welfare, or navigational use of the port and port facilities.

ARTICLE II - COMMENCEMENT DATE; TERM

2.1 Commencement Date. The term of this Agreement shall commence upon the date that all of the following conditions have been satisfied (the "Commencement Date"):

(i) execution and delivery of the Letter of Credit as provided for in Section 5.1 of this Agreement;

(ii) execution and delivery of the Guaranties as provided for in Section 5.2 of this Agreement;

(iii) approval by the Office of the Attorney General of the Commonwealth and the Office of the Budget of the Commonwealth of the terms and provisions of this Agreement; and

(iv) filing of this Agreement with the Federal Maritime Commission.

When the Commencement Date has been determined, as provided in this Section 2.1, PRPA shall deliver written notice to DRS specifying the Commencement Date and the Termination Date (as hereinafter defined). If the conditions specified in Section 2.1(i) and Section 2.1(ii) are not satisfied on or before September 1, 2002, PRPA may, in its sole and absolute discretion, terminate this Agreement in which case the parties hereto shall have no further liabilities or obligations under this Agreement. In addition, if the Commencement Date does not occur on or before October 1, 2002, PRPA may, in its sole and absolute discretion, terminate this Agreement in which case the parties hereto shall have no further liabilities or obligations under this Agreement.

2.2 Term. The term of this Agreement (the "Term") shall begin on the Commencement Date and shall end on the date which is the tenth (10th) anniversary of the Commencement Date (the "Termination Date"), unless extended or sooner terminated. Notwithstanding the foregoing, after the third (3rd) anniversary of the Commencement Date, both DRS and PRPA shall have the option to terminate this Agreement. PRPA or DRS shall exercise this option by giving the other party written notice at least one hundred eighty (180) days prior to the fourth (4th) anniversary of the Commencement Date. If PRPA or DRS fails to exercise its option by any such dates, this Agreement shall remain in force until the tenth (10th) anniversary

of the Commencement Date, unless it is terminated upon default by DRS or if DRS requests a waiver of the penalties described under Article 4.3.

2.3 Surrender of Possession; Holdover. DRS shall peaceably deliver up and surrender possession of the Premises to PRPA at the expiration or termination of this Agreement. DRS shall not hold over in all or any part of the Premises after the termination or expiration of this Agreement without first obtaining the prior written approval of PRPA, which PRPA shall have no obligation whatsoever to grant. Any such holdover shall be deemed an extension of this Agreement on a month-to-month basis upon the same terms and conditions of this Agreement, except that DRS shall pay to PRPA as Rent during each month of the holdover period an amount equal to one-twelfth (1/12) of one hundred and fifty percent (150%) of the Rent, as hereinafter defined, payable for the twelve (12) months immediately preceding the inception of the holdover period. Nothing in this Section 2.3 shall be deemed to give DRS any right to hold over or to prevent PRPA from evicting DRS or pursuing any other remedies in the event of such holdover.

2.4 DRS' Inspection of the Premises and the Cranes. The state and condition of the Premises, the Cranes, improvements, structures and facilities located thereon at the commencement of the Term shall, for purposes of this Agreement, be the condition as established by the base line survey ("Base Line Survey"), if any, performed at the commencement of the original Term under the Lease and Operating Agreement between PRPA and DRS, dated February 20, 1998.

ARTICLE III - RENT; PAYMENTS

3.1 Base Rent. As consideration for the execution and delivery by PRPA of this Agreement, DRS shall pay to PRPA during the Term the following annual base rent ("Base Rent") which shall be payable in equal monthly installments in advance on the first day of each calendar month commencing as of the Commencement Date:

YEAR OF TERM				BASE RENT
8/1/02	-	7/31/03	("Year One")	$684,000
8/1/03	-	7/31/04	("Year Two")	$684,000
8/1/04	-	7/31/05	("Year Three")	$684,000
8/1/05	-	7/31/06	("Year Four")	$884,000
8/1/06	–	7/31/07	("Year Five")	$884,000
8/1/07	–	7/31/08	("Year Six")	$884,000
8/1/08	–	7/31/09	("Year Seven")	$1,084,000
8/1/09	–	7/31/10	("Year Eight")	$1,084,000
8/1/10	–	7/31/11	("Year Nine")	$1,084,000
8/1/11	–	7/31/12	("Year Ten")	$1,084,000

Notwithstanding anything herein to the contrary, if the minimum number of vessel calls (whether container or breakbulk) set forth in Section 4.1 or net tons set forth in Section 4.2 are not exceeded at any time subsequent to the second year of this Agreement, the Base Rent payable hereunder shall be adjusted by the cumulative percentage increase, if any, in the United States Department of Labor, Bureau of Labor Statistics ("BLS"), Consumer Price Index, "United States City Average (not seasonally adjusted) for Urban Wage Earners and Clerical Workers, Selected Date (1982-84=100) All Items (less energy)" for the period since the Commencement Date. For purposes of determining the adjusted percentage, the Consumer Price Index as reported by the BLS two (2) months prior to the anniversary date of this Agreement will be used (by way of example only, if the Commencement Date is August, the Consumer Price Index as of June of the preceding year would be used for adjustment purposes). If the Consumer Price Index is replaced by an alternate means of cost price measurement, or the base year is changed, then such replacement cost price measurement or adjusted base year (with appropriate conversions) shall be used. In no event shall recomputation or adjustment cause the aforementioned rates to be less than the rates payable for the immediately preceding year. If the BLS revises or corrects any number used for the calculation, the parties shall revise the calculations made under this Agreement.

3.2 Late Charges. As compensation to PRPA for costs and expenses involved in handling delinquent payments, all Rent, as hereinafter defined, fees, and other charges that remain due and unpaid for a period of ten (10) business days after the date they are due shall be subject to a delinquency charge equal to FIFTY DOLLARS ($50.00) per day from the date due until the charges have been paid. Said delinquency charge is a liquidated sum, payable on demand, to defray PRPA's costs arising from the delinquency, and is in addition to all other remedies that PRPA may have as provided in this Agreement or otherwise by law or in equity to enforce payment of Rent or other charges that have accrued and have not been paid.

3.3 Rent. All sums payable by DRS under this Agreement, whether or not stated to be Base Rent, additional Rent, charges, costs, expenses or otherwise denominated (herein collectively referred to as "Rent"), shall be collectible by PRPA as Rent and in the event of a default in payment thereof PRPA shall have the same rights and remedies as for a failure by DRS to pay Base Rent (without prejudice to any other right or remedy available therefor). All Rent shall be payable when due, without notice, demand, deduction or set-off, at the address of PRPA set forth in Section 22.1, or any other address of which PRPA shall hereafter give DRS written notice. If PRPA, at any time or times, shall accept any payment of Rent after the same shall be due and payable hereunder, or shall accept any lesser amount than the sum then due on account of Rent, such acceptance shall not excuse delay upon subsequent occasions or constitute or be construed as a waiver of any of PRPA's rights hereunder with respect to such late or partial payment. No payment by DRS of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and PRPA may accept any such check or payment without prejudice to PRPA's right to recover the balance of such Rent or to pursue any other remedy provided for in this Agreement or available at law or in equity.

3.4 Operating Expenses.

3.4.1 In addition to Base Rent, DRS shall pay to PRPA, within fifteen (15) calendar days following demand by PRPA, an amount sufficient to pay all currently due real estate taxes, assessments (whether general or special) and other municipal charges, taxes or duties imposed against the Premises. To the best of PRPA's knowledge, no such taxes, assessments, charges or duties have been imposed upon the Premises for the past ten (10) years. However, in the event any such taxes, assessments, charges or duties in a material amount are imposed upon the Premises during the Term of this Agreement, PRPA and DRS agree to negotiate in good faith to endeavor to agree upon an equitable resolution regarding the payment of such impositions; provided, if the parties do not agree upon an equitable resolution within ninety (90) days from the date of any such imposition, PRPA and DRS shall each have the right to terminate this Agreement.

3.4.2 In addition to DRS' obligations set forth elsewhere in this Agreement, DRS shall be solely responsible for payment of all insurance premiums (including but not limited to property insurance), utilities, and operating expenses including, without limitation, all costs and expenses for security, snow removal, labor and maintenance and repair incurred in connection with the Cranes and the operations at the Premises. A list of all such contracts is set forth on Exhibit "C" hereto.

3.5 Crane Relocation or Purchase Expenses. As additional consideration for the execution and delivery by PRPA of this Agreement, DRS agrees to be responsible for costs and expenses in amounts not to exceed the sum of NINE HUNDRED THOUSAND DOLLARS ($900,000.00) for the purchase and/or relocation of a third crane to be located on the Premises, the state and condition of which third crane must be acceptable to DRS. Upon purchase and/or relocation of a third crane at the Premises, the definition of "Cranes" under this Agreement shall be amended to include such third crane for all purposes under this Agreement.

3.6 Other Cargo and Business Opportunities. PRPA and DRS agree to negotiate in good faith concerning (1) the fees to be paid by DRS to PRPA for cargo other than the cargo described below in Section 4.2, and (2) the fees to be paid by DRS to PRPA for other business opportunities which may arise during the Term of this Agreement. PRPA reserves the right to use thirty (30) acres of the Premises and a berth (provided such berth is not being used by DRS) when mutually advantageous business opportunities arise.

ARTICLE IV - MINIMUM PERFORMANCE REQUIREMENTS

In the event of any default of the guaranties and covenants set forth in this Article IV, in addition to the payments required to be paid by DRS pursuant to Article IV, PRPA shall have the right to terminate this Agreement upon delivery of written notice of termination to DRS. In the event that PRPA exercises its right to terminate this Agreement as provided in this Article IV, this Agreement will terminate sixty (60) calendar days following DRS' receipt of PRPA's notice of termination, and DRS shall vacate the Premises on or before such date, leaving the Premises in the condition in which it is required to be left at the end of the Term of this Agreement. If the

effective termination date is other than the last day of the calendar month, all Rent shall be apportioned on a pro rata basis for the calendar month in which termination occurs, based upon the number of days in such month.

4.1 Minimum Vessel Calls. During the Term of this Agreement, DRS hereby guarantees to PRPA that a minimum of seventy five (75) vessels shall call at the Premises on an annual basis for purposes of unloading and loading cargo.

4.2 Minimum Tonnage. During the Term of this Agreement, DRS hereby guarantees to PRPA that a minimum of 335,000 net tons of containerized, perishable breakbulk, non-perishable breakbulk and wheeled cargo will be unloaded or loaded from vessels at the Premises on an annual basis. No other cargo shall be included in the calculation of this minimum 335,000 net tons.

4.3 Penalties for Failing to Satisfy the Minimum Performance Requirements. In the event that DRS fails to satisfy the minimum performance requirements specified in this Article IV, PRPA shall have the right to terminate this Agreement. In addition, PRPA shall have the right exercisable, in its sole and absolute discretion, to assess DRS the amounts listed below. DRS hereby agrees that such payments shall be due and payable as additional Rent under this Agreement and may, in the discretion of PRPA, be paid (i) by a draw upon the Letter of Credit in the amount of such obligation, or (ii) by direct payment from DRS within thirty (30) calendar days following the last day of the applicable twelve (12) month period in which each such breach occurs.

4.3.1 If, during the Term of this Agreement, less than the minimum number of vessels (as set forth above in this Section 4.1) call at the Premises on an annual basis, DRS shall pay to PRPA, at PRPA's discretion, a sum equal to TWO THOUSAND DOLLARS ($2,000.00) for each vessel less than the minimum number of vessels (*e.g.*, if during Year One only 70 vessel calls were made at the Premises, DRS would pay to PRPA $10,000.00 ($2,000.00 x 5 vessels)).

4.3.2 If during the Term of this Agreement, less than THREE HUNDRED THIRTY FIVE THOUSAND (335,000) net tons of total cargo (i.e., the total amount of net tons of all perishable breakbulk cargo and non-perishable breakbulk cargo, including vehicles) are loaded or unloaded from vessels at the Premises on an annual basis, DRS shall pay to PRPA, at PRPA's discretion, a sum equal to ONE DOLLAR ($1.00) for each net ton less than 335,000 net tons which was not loaded or unloaded from a vessel at the Premises (*e.g.*, if during Year One only 330,000 net tons were loaded or unloaded from vessels at the Premises, DRS would pay to PRPA $5,000.00 ($1,000.00 x 5 tons)).

4.3.3 Subject to the provisions of Section 18.1.5, default in payment by DRS of the penalties described under this Section 4.3 entitles PRPA to terminate this Agreement at any time.

ARTICLE V - MECHANISMS FOR ASSURING COMPLIANCE WITH THE MINIMUM PERFORMANCE REQUIREMENTS AND OBLIGATIONS

5.1 Letter of Credit. As security for the full and faithful performance by DRS of all terms, covenants and conditions of this Agreement, DRS shall cause to be executed and delivered to PRPA no later than September 1, 2002 an irrevocable, unconditional, transferable letter of credit (the "Letter of Credit") in the principal face amount of SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($750,000). The Letter of Credit shall (i) be issued by a financial institution having an office in Philadelphia, Pennsylvania which is satisfactory to PRPA in its sole and absolute discretion, (ii) be in form and content acceptable to PRPA in its sole and absolute discretion, (iii) specify that it is irrevocable and, at the discretion of PRPA, assignable to PRPA's successors and assigns, (iv) be addressed to PRPA, and (v) be payable upon each presentation of a sight draft, accompanied by a statement signed by an authorized official of PRPA that the amount represented by the sight draft is then due and owing to PRPA by DRS and has not been paid. The Letter of Credit shall have an expiration date no earlier than the Termination Date (PRPA will, however, accept a Letter of Credit having an initial term of one (1) year subject to automatic renewal for four (4) additional one-year periods Failure to provide evidence of the renewal of the term of the Letter of Credit within thirty (30) calendar days prior to the expiration of the then current term shall constitute a default under this Agreement and will allow PRPA to draw the Letter of Credit in full without notice to DRS). Upon the occurrence of a default by DRS of its obligations under this Agreement, the Letter of Credit can be drawn by PRPA, in full or in part, without notice to DRS or any guarantor of DRS' obligations under this Agreement.

5.2 Guaranties. As security for the full and faithful performance by DRS of all terms, covenants and conditions of this Agreement, DRS shall cause guaranties (the "Guaranties") in the form attached hereto as Exhibit "D-1" to be executed and delivered by P&O Ports and Exhibit "D-2" to be executed and delivered by Stevedoring Services of America, Inc.

ARTICLE VI - PRPA'S RIGHT OF ACCESS TO THE PREMISES

6.1 Visitors. PRPA and its invitees shall have the right of access to the Premises at all times during the Term; provided that individuals seeking access to the Premises shall identify themselves as representatives or agents of PRPA. On a regularly scheduled quarterly basis, PRPA and DRS shall jointly make an inspection of the Premises.

6.2 Property Under DRS' Control. PRPA reserves the right, but shall have no responsibility or obligation, to inspect the Premises as to fire hazards and other hazards of a like kind or nature. PRPA assumes no responsibility or liability for, and DRS hereby releases PRPA from, loss or damage to the property of DRS or property under the control of DRS, whether caused by fire, water or otherwise.

6.3 Inspection. PRPA reserves the right to inspect the Premises at any and all times during the Term of this Agreement. The right of inspection reserved hereunder shall impose no obligation on PRPA to make inspections to ascertain the condition of the Premises, and shall impose no liability upon PRPA for the failure to make such inspections.

6.4 Utility Lines and Easements. PRPA reserves to itself and others the right, at PRPA's cost, to locate, construct, install and maintain sewers, utilities and pipelines upon or across the Premises at locations which do not unreasonably interfere with the use or occupancy of the Premises. DRS shall cooperate with PRPA or its designees so that any such work can be accomplished in the most efficient manner. DRS may, at its sole cost and expense, locate, construct or install sewers, utilities and pipelines upon or across the Premises, subject to the conditions set forth above and PRPA's prior written consent which may be withheld, delayed or conditioned in PRPA's sole discretion.

ARTICLE VII - OPERATION OF THE PREMISES

7.1 Equipment. DRS shall, at its sole cost and expense, provide the equipment necessary for the efficient operation of the Premises including, without limitation, all container handling equipment such as tractors, fork lifts, chassis and top loaders.

7.2 Cranes. DRS shall, at its sole cost and expense, operate, maintain (in accordance with the crane maintenance requirements outlined in Exhibit "E") and repair the Cranes, and all components or parts thereof, for use by all current and future tenants, licensees and occupants and DRS shall be obligated to return to PRPA upon expiration or sooner termination of this Agreement, the Cranes and all components or parts thereof in the state and condition as they existed on the date of the Base Line Survey. DRS shall have a revocable license to use all the items listed in Exhibit "E" hereto in connection with DRS' obligation to maintain, repair and operate the Cranes; provided, however, that DRS shall return all such items (which obligation shall include the repair, replacement or complete restoration of any and all such items) to PRPA upon the expiration or sooner termination of this Agreement. In addition, DRS shall be responsible, and hereby releases PRPA from liability, for all costs and expenses for laborers and mechanics for overtime, stand-by, and detention time due to the late arrival or non-arrival of a vessel at the Premises.

7.3 Continuous Operation. DRS shall continuously operate and use the Premises at all times during the Term of this Agreement in a competent and efficient manner consistent with the manner in which other marine terminals of similar use and design in other major United States ports are operated so as to provide first-class service to all persons or entities whose cargo passes through the Premises. DRS shall conduct operations in such a manner as to maximize the use of the Premises including, without limitation, to increase the amount of cargo handled at the Premises.

7.4 Capital Improvements. DRS shall not make any capital improvements at the Premises without the prior written consent of PRPA, which consent shall not unreasonably be withheld. All capital improvements to be made by DRS at the Premises shall be at DRS' sole cost and expense.

7.5 Subleases of DRS. DRS represents, warrants and covenants that its only subleases pertaining to the Premises are those listed on Exhibit "C" hereto.

7.6 Contracts. DRS agrees to insert into any material contracts (which for purposes of this Agreement shall mean contracts in excess of $25,000) and all leases entered into after the Commencement Date with respect to the operation or use of the Premises a clause which will provide that DRS' rights and obligations under all such contracts and leases will be assigned automatically to PRPA (or PRPA's designee) without further action by PRPA or DRS being necessary upon the occurrence of a default by DRS of its obligations under this Agreement which has not been cured within any applicable grace period. All bonds, guaranties and assurances of completion provided by a third party to any such contract in favor of DRS shall also be assignable to PRPA and shall name PRPA as the payee thereunder upon the occurrence of a default by DRS of its obligations under this Agreement which has not been cured within any applicable grace period.

7.7 Utilities. DRS shall obtain and furnish to all tenants, licensees and occupants of the Premises all water, sewer, electricity, gas, telephone and other utilities directly from the public utility company furnishing same. All existing utility accounts shall be transferred into the name of DRS and DRS shall pay all utility deposits and fees, and all monthly service charges for water, sewer, electricity, gas, telephone and other utilities furnished to the Premises during the Term of this Agreement. DRS shall maintain and repair, at its sole cost and expense, all piping, feeders, risers and other connections or equipment necessary to furnish utilities or services to the Premises. PRPA makes no representation or warranty as to the condition or capacity of such connections or equipment. PRPA shall not be liable for any interruption whatsoever, nor shall DRS be entitled to an abatement or reduction of Rent on account thereof, in utility services not furnished to the Premises or to any claim of constructive eviction.

7.8 Open Vessel Stevedoring. DRS shall allow any and all vessels to use the Premises and utilize any stevedore of its choice to load or unload cargo of such vessels. DRS shall coordinate the arrival and departure (and loading and unloading) of such vessels with any and all current or future tenants, licensees and occupants of the Premises to maximize the use and operation of the Premises. DRS shall not reject any request to berth at the Premises and/or for stevedoring services without the prior written consent of PRPA (which consent may be withheld or conditioned by PRPA in its sole and absolute discretion taking into account any commercially reasonable explanation for rejection as may be presented by DRS to PRPA). Any vessel that uses the Premises (and the cargo of such vessel) shall be counted towards DRS' minimum performance requirements provided in Article IV of this Agreement regardless of whether or not DRS utilizes its own stevedoring services to load or unload such vessel.

ARTICLE VIII - INSURANCE; INDEMNIFICATION

8.1 Property Insurance

8.1.1 DRS shall keep the Premises continuously insured during the Term against "all risks" of direct physical loss including, without limitation, loss or damage resulting from fire, lightning and other perils covered by the standard Commonwealth form of Fire Insurance and Extended Coverage (including Pier and Wharf Extended Coverage endorsement) on a replacement cost basis in the amount of ONE HUNDRED TEN MILLION DOLLARS ($110,000,000.00), or such greater amounts as provided in Section 8.1.2. DRS shall also maintain additional insurance coverage for the bodily injury, death, loss or property damage caused by the cranes in the amount of TWELVE MILLION DOLLARS ($12,000,000). DRS shall cause the policies evidencing such insurance to name PRPA and the Commonwealth as additional insureds and loss payees, as their interests may appear.

8.1.2 PRPA may from time to time cause an engineer, appraiser or other representative of PRPA to inspect the Premises to determine the replacement value of the Premises and, upon written notice of any valuation so determined in excess of the amount specified in Section 8.1.1, the amount of insurance therein specified shall, at PRPA's option, be increased upon notice to DRS to an amount not to exceed the valuation so determined, and DRS shall in that event promptly cause the insurance required by Section 8.1.1 to be increased appropriately in such amount at DRS' expense.

8.1.3 DRS shall keep the contents of the Premises, including without limitation the property of others and improvements and betterments, and "contractor's equipment", continuously insured during the Term against "all risks" of direct physical loss, on a legal liability basis with respect to property of others, and on an actual cash value basis with respect to all other contents, improvements and betterments, and "contractor's equipment". DRS shall cause the policy evidencing such insurance to name PRPA and the Commonwealth as additional insureds and loss payees, as their interests may appear.

8.1.4 No policy of insurance maintained by DRS under this Section 8.1 shall contain a deductible feature in excess of TWENTY THOUSAND DOLLARS ($20,000.00) unless otherwise approved by PRPA.

8.2 Liability Insurance. During the Term, DRS shall continuously keep in effect comprehensive general liability insurance of at least TEN MILLION DOLLARS ($10,000,000.00), single limit, as to personal injury, death or property damage. DRS shall cause the policy evidencing such insurance to name PRPA and the Commonwealth as additional insureds, and shall cause such policy to incorporate a cross liability endorsement provision as follows (or a substantially identical provision satisfactory to PRPA): "Cross Liability - it is understood and agreed that the insurance afforded by this policy for more than one named insured shall not operate to increase the limits of the Company's liability, but otherwise shall not operate to limit or void the coverage of any one named insured with respect to claims against the said named insured by any other named insured or the employees of any such other named insured". DRS shall also cause any and all contractors, subcontractors, stevedores or other

agents it uses to name PRPA, the Commonwealth, and Kinder Morgan Energy Partners, Ltd. as additional insureds on said party's liability insurance policies.

8.3 Workers' Compensation Insurance. During the Term, DRS itself shall maintain, and shall also require that any and all contractors, subcontractors, stevedores or other agents with which it contracts for services at the Premises maintain, in full force and effect at all times during the Term of this Agreement, statutory worker's compensation insurance and employers' liability insurance, United States Longshoremen's and Harbor Workers' Compensation Act insurance, Jones Act insurance, Occupational Disease Act insurance, and any Disability Benefits Act insurance required by federal, state or local law.

8.4 Automobile Insurance. During the Term, DRS shall continuously keep in effect comprehensive automobile liability insurance in the amount of FIVE MILLION DOLLARS ($5,000,000.00) per each accident for bodily injury and property damage combined, naming PRPA and the Commonwealth as additional insureds.

8.5 Waiver of Subrogation. All property insurance policies carried by either party covering the Premises and DRS' operations at the Premises shall expressly waive any right on the part of the insurer against the other party.

8.6 Insurance; General.

8.6.1 PRPA's Purchase. If DRS fails to maintain any insurance required in this Agreement to be maintained by it, PRPA may, at its option, procure same wherever available at a reasonable price and at DRS' expense, and DRS shall pay to PRPA the cost thereof, and such other costs incurred by PRPA in connection therewith, including without limitation PRPA's reasonable attorney's fees, on demand as Rent.

8.6.2 Requirements. Every policy of insurance required by this Agreement to be maintained by DRS shall contain a provision prohibiting cancellation thereof or changes therein without at least thirty (30) calendar days prior written notice to PRPA and the Commonwealth at the addresses designated from time to time in writing by PRPA and the Commonwealth, respectively. On or before the Commencement Date, and thereafter at least ten (10) calendar days before expiration of any policy, DRS shall deliver to PRPA two copies of the certificates of insurance and within a reasonable time period thereafter two copies of the policies evidencing each of the coverages that it is required to carried under this Article VIII whether carried by DRS, its contractors, subcontractors, stevedores, or other agents.

8.6.3 Form of Policy. All policies required hereunder and any renewals thereof (1) shall be in form satisfactory to PRPA, including as to the amount of the deductible, (2) shall be issued by companies satisfactory to PRPA authorized to engage in the insurance business in the Commonwealth or otherwise satisfactory to PRPA, and (3) shall be maintained in full force and effect during the Term of this Agreement.

8.6.4 Additional Insurance. DRS shall also provide such additional types of insurance in such amounts as PRPA shall from time to time reasonably require. In the event that any such additional insurance is required, DRS shall deliver two copies of each policy to PRPA.

8.6.5 Use of Premises. DRS agrees not to use the Premises in any manner that will result in the cancellation or increase in cost of any insurance policy that DRS is required to carry hereunder.

8.6.6 Separate Insurance. DRS shall not take separate insurance that is concurrent in form with, or which contributes to an event or events of loss which are covered by, either the insurance required to be furnished by DRS under this Article VIII, or the insurance DRS may reasonably be required to furnish under this Article VIII, unless PRPA and Commonwealth are named in such policies as insureds, with loss payable as provided in this Agreement. DRS shall immediately notify PRPA of the taking out of any such separate insurance and shall cause the policies therefor to be delivered to PRPA as required herein.

8.6.7 Claims Made Policies. DRS shall not obtain any insurance through policies written on a "claims made" basis without PRPA's prior express written consent, which consent shall not unreasonably be withheld if the proposed policy and DRS satisfy all of the following requirements: (1) the policy retroactive date shall coincide with or precede DRS' occupancy or use of any portion of the Premises; and (2) DRS shall maintain such policy for at least four years following the termination or expiration of the Term (whichever is later); and (3) if such insurance is prematurely terminated for any reason, DRS shall, in addition to securing immediate replacement coverage for such insurance, purchase an extended reporting provision of at least four years duration to report claims arising from this Agreement or DRS' occupancy; and (4) the policy shall allow for the report of circumstances or incidents which might give rise to future claims.

8.6.8 Blanket Policies. Any insurance required of DRS under this Article VIII may be effected by a blanket or multi-peril or all-risk policy or policies issued to DRS or to any person with which DRS is affiliated, and covering the Premises as well as other properties owned by or leased to DRS or affiliated person, provided that (1) such policy or policies shall be satisfactory to and approved by PRPA and shall comply in all respects with the provisions of this Agreement and (2) the amount of insurance allocated thereunder to DRS' property located in the Premises shall be specified either in such policy or policies or in an endorsement thereto and shall equal the amounts required under this Agreement.

8.7 Accident Reports. DRS shall provide a report to PRPA in writing, as soon as practicable but in any event within two (2) calendar days after DRS, its officers, employees or agents have knowledge of any accident or occurrence involving death of or injury to any person or persons or loss or damage in excess of TEN THOUSAND DOLLARS ($10,000.00) to the Premises or property of any person other than DRS occurring upon or about the Premises. All such reports shall include, to the extent available and appropriate: (1) the names and addresses of the persons involved; (2) a general statement as to the nature and extent of the injury or damage; (3) the date and hour of the occurrence; (4) the names and addresses of witnesses; and

(5) such other information, reasonably requested by PRPA, as may be known to DRS, its officers, employees or agents.

8.8 Liability for Damages Caused by Third Parties. DRS shall maintain the necessary security on the Premises to assure that the Premises is not used by anyone not having the permission of DRS or PRPA. DRS is and shall be solely liable for all damage to the Premises which is caused by third parties not authorized to be upon the Premises, or by DRS' employees, agents, contractors, invitees or licensees if said damage is due to the negligence or misconduct of DRS.

8.9 Release and Indemnification.

8.9.1 DRS agrees that PRPA, its successors and assigns, and the Commonwealth, and their respective agents, employees, officers, directors, shareholders and partners shall not be liable to DRS and DRS hereby releases said parties from any liability, for any personal injury, loss of income or damage to or loss of persons or property, or loss of use of any property, in or about the Premises from any cause whatsoever unless such damage, loss or injury results from PRPA's failure to perform its obligations under Section 9.1 or the negligence or willful misconduct of PRPA, its officers, employees or agents. Furthermore, PRPA and the Commonwealth, and their respective agents, employees, officers, directors and partners shall not be liable to DRS for any such damage or loss, whether or not such damage or loss so results from their negligence, to the extent DRS is compensated therefor by DRS' insurance.

8.9.2 DRS shall defend, indemnify, save and hold harmless PRPA, the Commonwealth, and their respective agents, employees, officers, directors, shareholders, partners from and against all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including reasonable attorneys' fees, court costs, administrative costs and costs of appeals which may be imposed upon or incurred by or asserted against any of them by reason of the following which shall occur during the Term of this Agreement, during any holdover period after expiration or termination of the Term, or during any period of time prior to the Commencement Date when DRS may have been given access to or possession of all or any portion of the Premises:

(1) any work or act done in, on or about the Premises or any part thereof at the direction of or caused by DRS, its agents, contractors, subcontractors, servants, employees, subtenants, licensees or invitees;

(2) any negligence, tort or other wrongful act or omission on the part of DRS or any of its agents, contractors, subcontractors, servants, employees, subtenants, licensees or invitees;

(3) any accident, injury or damage to any persons or property occurring in, on or about the Premises or any part thereof, unless caused by PRPA's failure to perform its obligations under Section 9.1 or the negligence or willful misconduct of PRPA, its employees or agents; and

(4) any failure on the part of DRS to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Agreement.

8.9.3 The obligation of DRS to indemnify contained in Section 8.9.2 shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for DRS, its agents or contractors under workers' or workman's compensation acts, disability benefit acts or other employee benefits acts, or under any other insurance coverage DRS may obtain.

8.9.4 The release and indemnification given in this Section 8.9 shall survive the expiration or termination of this Agreement.

ARTICLE IX - MAINTENANCE, REPAIR, EQUIPMENT AND IMPROVEMENTS

9.1 PRPA's Obligations.

9.1.1 PRPA shall maintain and repair roofs, pavings, pavements, railroad tracks and the structural elements of the walls and foundations of the buildings and structures (including wharf structures) at the Premises.

9.1.2 PRPA shall, at such times as it reasonably determines to be necessary and upon its obtaining all necessary permits and approvals (with the cooperation of DRS), conduct maintenance dredging alongside Berths 1, 2, 3, 4 and 5 at the Premises as shown on Exhibit "A" to a depth of thirty six (36) feet from Mean Low Water Datum. PRPA shall notify DRS of the schedule of such dredging and shall make all reasonable efforts not to interfere with vessels' access to the Premises. PRPA shall, at its sole cost and expense, perform soundings on a regularly scheduled basis along Berths 1, 2, 3, 4 and 5 at the Premises.

9.2 DRS' Obligations.

9.2.1 DRS, at its own expense, shall be responsible for and perform all maintenance of the Premises of any nature and shall keep the same in good order and repair and condition, including without limitation, all electrical systems, HVAC systems, water and sewer systems, gutters and down spouts, fire and sprinkler systems, alarm systems, reefer plugs, refrigeration systems, lighting, fences (including the fence along North Delaware Avenue), and shall replace, renew, or repair, to PRPA's satisfaction, all parts that may become worn out, broken or destroyed.

9.2.2 During the Term of this Agreement, DRS shall, at its sole cost and expense, operate, maintain, repair and service the Cranes and all other equipment or machinery located at the Premises so as to keep them in good operating condition, all in compliance with all Occupational Safety and Health Act rules and regulations and other applicable Federal, State or local laws or regulations with all valid inspections and other certifications and in accordance with the crane maintenance manual requirements included in Exhibit "E" hereto. DRS shall provide PRPA with copies of such inspections and certifications immediately upon completion. DRS

shall, at its sole cost and expense, provide all fuel, oil, grease and other items required for the safe and efficient operation of the Cranes. PRPA shall not be responsible for providing crane operators for cargo operations nor liable for any claims, losses, damages, liabilities, costs or expenses including, without limitation, consequential and incidental damages arising out of or caused by a mechanical failure of the Cranes for any reason whatsoever.

9.3 Repair. Without limiting the generality of DRS' obligations under Section 9.2 above, DRS shall, at its sole cost and expense, promptly repair, to PRPA's satisfaction, any damage, structural or non-structural, done to the Premises by DRS' agents, employees, contractors, customers, suppliers and other invitees, including, without limitation, damage by railroad cars, trucks or other equipment, or by the discharging, receiving or delivering of freight or passengers from or to railroad cars, trucks or other equipment. PRPA shall not be responsible for any damage to any furniture, equipment or other effects of DRS or others or for any theft, damage or loss of property from the Premises, however occurring.

9.4 Condition Survey. At PRPA's option, PRPA and DRS shall conduct or cause to be conducted a condition survey at any time during the Term, to serve as a basis for determining DRS' compliance with the provisions of this Agreement.

9.5 Fire Systems. All fire protection sprinkler systems, fire hydrant systems, standpipe systems, fire alarm and sprinkler monitoring systems, portable fire extinguishers, and other fire protective or extinguishing systems or appliances which have been or may be installed on the Premises shall be maintained or repaired, as may be necessary by DRS, at its sole cost and expense and in accordance with all applicable laws, including without limitation, the City of Philadelphia Fire Code and all additions, revisions and amendments thereto, and in accordance with the recognized standards relating thereto. Notwithstanding the foregoing, should the current sprinkler system on the Premises need to be replaced, other than as a result of DRS' negligence, then PRPA shall be responsible for replacing such sprinkler system with a new sprinkler system at PRPA's sole cost and expense.

9.6 Load Limits. DRS shall not place loads on the structural portions of the Premises in excess of the respective maximum load limits for the Premises as set forth in Exhibit "F" attached hereto and made a part thereof, without the prior written consent of PRPA.

9.7 Condition and Surrender of the Premises. DRS agrees to accept the Premises, including, without limitation, all improvements, structures and facilities upon the Premises, in their condition existing at the Commencement Date, "as is", "where-is" and without warranty (expressed or implied). DRS' occupation or use of the Premises shall in itself constitute acknowledgment of such acceptance, and PRPA shall not be obligated to make any improvements or repairs thereto, except as specifically provided elsewhere in this Agreement. DRS covenants and agrees that at the expiration of the Term it will quit and surrender the Premises with all the improvements thereon in as good a state and condition as the same were at the inception of the Term as described on a Base Line Survey performed, if at all, pursuant to Section 2.4 hereof, and the Premises will be left in a clean condition with no build-up of dirt and debris, subject to normal wear and tear.

9.8 Access. PRPA, its contractors, invitees and their respective employees have the right of access to the Premises at all times to perform their respective duties, responsibilities and jobs as contemplated under this Article IX and to determine the state of maintenance and repair provided said access by PRPA or its representatives does not interfere with DRS' operation of the Premises. PRPA will schedule such access, to the extent reasonably possible, so as not to materially interfere with DRS' operations at the Premises, but need not schedule such access if PRPA deems an emergency to exist.

9.9 PRPA's Rights. Should DRS fail to make any repairs or perform any maintenance for which it is responsible, PRPA shall have the option to make or perform the same (but need not do so) following thirty (30) calendar days written notice from PRPA or immediately if, in PRPA's business judgment, the repairs required must be made to prevent damage, injury or loss to persons or property. Within ten (10) calendar days following receipt of an invoice, together with reasonable supporting documentation from PRPA, DRS shall reimburse PRPA for PRPA's actual cost of such repairs as additional Rent. The making of such repairs by PRPA shall in no event be construed as a waiver of the duty of DRS to make repairs as herein provided.

9.10 DRS' Improvements. During the Term, DRS shall not make any alterations, additions or improvements to the Premises without first receiving the written consent of PRPA, which consent shall not be unreasonably withheld. PRPA may, at its option, require DRS to remove any alterations, additions or improvements constructed by DRS (other than any alterations, additions or improvements which have been consented to by PRPA) upon the expiration or sooner termination of the Term, and to repair and restore the Premises to its condition as of the Commencement Date of this Agreement, at DRS' sole cost and expense. To the extent DRS is permitted to make any alterations, additions or improvements to the Premises, such construction shall be subject to the following provisions:

9.10.1 DRS shall not construct any improvement or effect major repairs or restorations of, alter or demolish any works, structures or other improvements upon the Premises, including a change in the grade or filling of a berth thereof, without first submitting to PRPA a complete set of drawings, plans, and specifications and contracts and obtaining PRPA's written approval thereof, which approval may not unreasonably be withheld, and any other approvals of the Commonwealth, to the extent required, and any approvals required by law. PRPA shall have the right to order changes in said drawings, plans and specifications for reasonable cause and DRS shall make such changes at its own expense. DRS shall keep records of all goods, material and labor employed in connection with any such construction and shall make the same available to PRPA at reasonable times upon prior written notice.

9.10.2 Every work, structure or improvement constructed, or alteration or change of grade made by DRS shall conform with the plans and specifications as approved by PRPA and any other entity or governmental agency whose approval is required, and shall conform in all respects to the applicable federal, state, regional, and local laws, statutes, ordinances, rules and regulations. The approvals given as provided in this Section 9.10 shall not constitute a representation or warranty as to such conformity and shall not relieve DRS of its responsibilities with regard thereto.

9.10.3 DRS, at its own expense, shall obtain all permits necessary for such construction and shall require by contract that its contractors and subcontractors comply with all applicable federal, state, and local statutes, ordinances, rules and regulations, and with the provisions of Section 17.1. PRPA shall cooperate with DRS with respect to obtaining necessary permits.

9.10.4 All construction by DRS pursuant to this Section 9.10 shall be at DRS' sole expense.

9.10.5 DRS shall give written notice to PRPA, in advance, of the date it will commence any construction. Immediately upon the completion of the construction, DRS shall notify PRPA of the date of such completion and shall, within thirty (30) days after such completion, file with PRPA a statement, verified by an appropriate officer of DRS, setting forth the cost of the labor and material used. DRS shall also file with PRPA, in a form acceptable to PRPA, a set of "as built" plans for such construction.

9.10.6 All improvements, works and structures made or erected by DRS upon the Premises under this Section 9.10 shall be and become the property of PRPA.

9.10.7 DRS will proceed diligently to construct its improvements upon the Premises without delay, and in a good and workmanlike manner, employing therefor workers and materials satisfactory in quantity and quality to PRPA. PRPA shall not be responsible for any delay in any construction schedule for any improvement.

9.10.8 DRS will permit and assist PRPA or PRPA's representatives to make inspections of the Premises and DRS' improvements. Prior to the commencement of any construction by DRS, DRS shall provide to PRPA a construction schedule. DRS and PRPA shall establish an inspection schedule setting forth reasonable and appropriate times for PRPA to make such inspections, although PRPA may choose to inspect more frequently. If upon any such inspection PRPA in writing reasonably rejects as unsound or improper and not in substantial compliance with the plans any portion of the improvements or any materials used or to be used therein, DRS will promptly commence to remove from the Premises or improvements (as the case may be) all rejected materials, and will take down and replace (or, at PRPA's option, repair) any portion of such improvements so rejected. PRPA's inspections are solely for PRPA's benefit and no action or inaction by PRPA shall constitute any representation that such improvements comply with the respective plans or that such improvements are sound or free from defects in material, design or workmanship. Nothing herein shall be construed as imposing any obligation upon PRPA to make any inspections hereunder.

9.10.9 Prior to the commencement of any construction or other performance by a contractor, subcontractor or materialman under a contract with DRS for improvements at the Premises, DRS shall cause a waiver of mechanics' and materialmen's liens from all such contractors, subcontractors and materialmen to be filed in accordance with the Commonwealth mechanics' lien law.

9.10.10 In addition to the foregoing requirements, DRS shall not construct, effect major repairs or restorations of, alter or demolish any works, structures or other improvements upon the Premises without first obtaining PRPA's written approval of the identity of the contractor, which approval may be withheld in PRPA's sole and absolute discretion.

ARTICLE X - TAXES

10.1 Taxes. Subject to the last sentence of Section 3.4.1, DRS covenants and agrees to pay in full when due, without demand, all currently due lawful taxes, assessments or charges which may be levied by any federal, state, county or city, or by any tax or assessment levying agency upon the Premises and all taxes, assessments, duties and charges on goods, merchandise, fixtures, appliances, equipment and property owned or brought upon the Premises by or through DRS (collectively "Impositions"). To the best of PRPA's knowledge, no such taxes, assessments or charges have been imposed upon the Premises during the past ten (10) years.

10.2 Appeals. DRS shall have the right to contest or object to the amount or validity of any such Impositions by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying or extending the covenants of DRS to pay any such Impositions at the time and in the manner provided in Section 10.1, unless DRS shall have given prior written notice to PRPA of intent to so contest or object to an Imposition, and unless, at PRPA's sole option, (i) DRS shall demonstrate to PRPA's satisfaction that the legal proceeding shall operate conclusively to prevent the placing of a lien on the Premises, or any part thereof, to satisfy such Impositions prior to final determination of such proceedings; or (ii) DRS shall furnish a good and sufficient bond or surety as requested by and satisfactory to PRPA; or (iii) DRS shall have provided PRPA with a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

ARTICLE XI - ENVIRONMENTAL MATTERS

11.1 Environmental Matters. DRS covenants that it shall comply at all times with the following terms of this Agreement relating to environmental matters.

11.2 DRS' Representations, Warranties and Covenants.

11.2.1 Use of Premises. DRS represents, warrants and covenants that (i) the Premises will not be used for any dangerous, noxious or offensive trade or business and that it will not cause or maintain a nuisance there, (ii) it will not bring, generate, treat, store, release, threaten to release or dispose of Hazardous Substances (as hereinafter defined) at the Premises, (iii) it shall at all times cause its operations at the Premises to comply, and shall cause the Premises to comply, with all Environmental Laws (as hereinafter defined), and (iv) it will keep the Premises free of any lien imposed pursuant to any Environmental Laws; provided, however, that DRS shall be allowed to use fumigants to the extent such use is in accordance with all Environmental Laws.

11.2.2 Reporting Requirements. DRS represents, warrants and covenants that it will promptly deliver to PRPA: (i) copies of any documents received from any federal, state, county or municipal environmental or health agency (including, without limitation, the United States Environmental Protection Agency and the Pennsylvania Department of Environmental Protection) concerning DRS' operations upon the Premises, and (ii) copies of any documents submitted by DRS to any federal, state, county or municipal environmental or health agency (including, without limitation, the United States Environmental Protection Agency and the Pennsylvania Department of Environmental Protection) concerning its operations upon the Premises, including, but not limited to, copies of all permits, licenses, annual filings and registration forms. Upon the request of PRPA, DRS shall provide PRPA with evidence of compliance with Environmental Laws in the manner and form PRPA may require. Demonstration of compliance with Environmental Laws provided by DRS to PRPA pursuant to this Section 11.2.2 shall include, but not be limited to, environmental site assessments prepared in conformity with American Society for Testing and Materials ("ASTM") Standard E 1527-00, as such standard may be amended from time to time.

11.2.3 Termination, Cancellation, Surrender. At the expiration or earlier termination of this Agreement, DRS shall surrender the Premises to PRPA free of any and all Hazardous Substances excepting any present upon the Premises prior to DRS' occupancy, and in compliance with all Environmental Laws (excluding any noncompliance existing prior to DRS' occupancy) and to the complete satisfaction of PRPA.

11.3 Permitted Substances. Subject to the provisions of this Article XI and to the prior written consent by PRPA which may be given or withheld in PRPA's sole discretion, DRS shall be entitled to use and store on the Premises only reasonable quantities of those Hazardous Substances which are necessary for DRS' business, provided that such usage and storage, and DRS' disposal of all waste resulting therefrom, are in full compliance with all applicable Environmental Laws.

11.4 Storage Tanks. DRS shall not be entitled to install any tanks under, on or about the Premises for the storage of Hazardous Substances without the express prior written consent of PRPA, which may be given or withheld in PRPA's sole discretion.

11.5 PRPA's Right of Access and Inspection. PRPA shall have the right but not the obligation, at all times during the Term to (i) inspect the Premises, (ii) conduct tests and investigations and take samples to determine whether DRS is in compliance with the provisions of this Article XI provided same does not interfere with the daily operation of DRS' business, (iii) request lists of all Hazardous Substances used, stored or located on the Premises, and (iv) review any permits which may be required for DRS to conduct any business at the Premises. PRPA will be responsible for the cost of any tests or investigations it may undertake unless it is determined that DRS is not in compliance with the pertinent environmental requirements, in which case DRS shall be responsible for the cost of the inspection/tests.

11.6 Violations - Environmental Defaults.

11.6.1 DRS shall give to PRPA immediate verbal and follow-up written notice of any actual, threatened or suspected spills, releases or discharges of Hazardous Substances on the Premises, caused by the acts or omissions of DRS or its agents, employees, representatives, invitees, licensees, subtenants, customers or contractors. DRS covenants to promptly investigate, clean up and otherwise remediate any spill, release or discharge of Hazardous Substances caused by the acts or omissions of DRS or its agents, employees, representatives, invitees, licensees, subtenants, customers or contractors at DRS' sole cost and expense; such investigation, clean up and remediation to be performed in accordance with all Environmental Laws and only after DRS has obtained PRPA's prior written consent, which shall not be unreasonably withheld. DRS shall return the Premises to the condition existing prior to the introduction of any such Hazardous Substances.

11.6.2 In the event of (i) a violation at the Premises of an Environmental Law, or (ii) a release, spill or discharge of a Hazardous Substance on or from the Premises, or (iii) the discovery of any environmental condition at the Premises which requires a response and is attributable to the acts or omissions of DRS, its agents, employees, representatives, invitees, licensees, subtenants, customers, or contractors, or (iv) an emergency environmental condition at the Premises (together "Environmental Defaults"), PRPA shall have the right, but not the obligation, to immediately enter the Premises, and either to supervise and approve any actions taken by DRS to address the violation, release, or environmental condition, or, if PRPA deems it necessary, to perform, at DRS' expense, any lawful actions necessary to address the violation, release, or environmental condition but such action is to take place only after PRPA has given DRS written notice of said condition and demand to correct same and DRS has failed to undertake to correct said condition within three (3) calendar days of receiving said demand.

11.6.3 PRPA has the right but not the obligation to cure any Environmental Defaults, has the right to suspend some or all of the operation of DRS until PRPA has determined to its sole satisfaction that appropriate measures have been taken, and has the right to terminate this Agreement upon the occurrence of an Environmental Default.

11.7 Additional Rent. Any expenses which PRPA incurs, which are to be at DRS' expense pursuant to this Article XI, will be considered additional Rent under this Agreement and shall be paid by DRS on demand to PRPA.

11.8 Indemnification. DRS shall indemnify, defend (with counsel approved by PRPA) and hold PRPA and the Commonwealth, and their respective affiliates, shareholders, directors, officers, employees and agents harmless of, from and against any and all claims, judgments, damages (including consequential damages), penalties, fines, liabilities, losses, suits, administrative proceedings, costs and expenses of any kind or nature, known or unknown, contingent or otherwise, which arise out of the acts or omissions of DRS, its agents, employees, representatives, invitees, licensees, subtenants, customers or contractors during or after the Term of this Agreement (including, but not limited to, attorneys', consultant, laboratory and expert fees and including without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of any facilities or amenity of the Premises and damages arising from any

adverse impact on marketing of space in or about the Premises), arising from or related to the use, presence, transportation, storage, disposal, spill, release, threatened release or discharge of Hazardous Substances on or about the Premises. The terms of this indemnification shall survive the expiration or sooner termination of this Agreement.

11.9 Definitions.

11.9.1 "Hazardous Substances" means, (i) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Laws or any applicable laws or regulations as a "solid waste," "residual waste," "municipal waste" "hazardous substance", "hazardous material", "hazardous waste", "infectious waste", "toxic substance", "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity, (ii) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources, and (iii) petroleum products and by-products, polychlorinated biphenyls, urea formaldehyde, radon gas, any source, special nuclear, or by-product material), radiologically-contaminated material and medical waste.

11.9.2 "Environmental Laws" collectively means and includes all present and future federal, state and local laws and any amendments thereto (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Premises and relating to health, safety, welfare, transportation and handling of food, the environment and environmental conditions, or to any Hazardous Substance (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601, et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq.; the Clean Air Act, 44 U.S.C. Section 7401, et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Section 11001, et seq.; the Pennsylvania Storage Tank and Spill Prevention Act, 35 P.S. Section 6021.101, et seq.; the Pennsylvania Hazardous Sites Cleanup Act, 35 P.S. Section 6020.101 et seq.; the Pennsylvania Air Pollution Control Act, 35 P.S. Section 4001 et seq.; the Pennsylvania Clean Streams Law, 35 P.S. Section 691.101 et seq.; the Pennsylvania Solid Waste Management Act, 35 P.S. Section 6018.10 et seq.; and any law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency; and any state and local laws and regulations similar to any of the foregoing, all amendments to all of the foregoing and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning environmental, industrial hygiene, or public health or safety).

11.10 Disposal and Removal of Solid Wastes. DRS shall, at its sole cost, contract with a reputable, private refuse removal company or companies approved by PRPA in writing in advance for the removal and disposal of any solid waste (other than solid wastes lawfully discharged through the City's sewer system) generated or introduced by DRS from the Premises, in accordance with all Environmental Laws.

11.11 Remedies.

11.11.1 Upon a default by DRS of any provision of this Article XI, PRPA may, at its sole discretion, terminate this Agreement by written notice to DRS, whereupon DRS shall immediately vacate the Premises.

11.11.2 The parties recognize that no adequate remedy at law may exist for a default of this Article XI. Accordingly, either party may obtain specific performance of any provisions of this Article XI.

11.11.3 This Section 11.11 shall not be construed to limit any remedies which either party may have against the other at law or in equity for a default of this Article XI.

11.12 Survival. The provisions of this Article XI shall survive the expiration of the Term and the termination of this Agreement. No subsequent modification or termination of this Agreement by agreement of the parties or otherwise, shall be construed to waive or to modify any provisions of this Article XI unless the termination or modification agreement or other document expressly so states in writing.

11.13 Limitations. Nothing contained herein shall make or be deemed to make DRS liable or responsible for any contamination existing on the Premises as of the Commencement Date, or for contamination thereafter caused solely by PRPA, its contractors or invitees.

ARTICLE XII - ASSIGNMENT; LEASING AND LICENSING

12.1 Assignment; Leasing and Licensing. DRS shall not, either directly or indirectly, assign, hypothecate, encumber or transfer this Agreement or any interest therein, or lease or sublease the Premises in whole or in part without the prior written consent of PRPA, which consent may be withheld, conditioned or delayed for any reason or no reason whatsoever in PRPA's sole and absolute discretion (except for the subleases listed on Exhibit "C" in which case PRPA will be commercially reasonable in exercising its consent rights). DRS shall provide PRPA with a copy of all proposed leases for which DRS is seeking PRPA's consent together with any other information as may be requested by PRPA. DRS shall also provide copies of any such permitted leases to PRPA immediately following execution thereof.

12.2 PRPA's Assignment and Successors. PRPA shall have the right to assign, hypothecate, or transfer this Agreement, its interest in and to the Premises, or any interest in either of the foregoing in whole or in part to any successor or affiliate of PRPA.

12.3 Terms Binding on Successors. All the terms, covenants, and conditions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns (if permitted) of the parties hereto. The provisions of this Section 12.3 shall not be deemed a waiver of any of the conditions against assignment by DRS hereinbefore set forth.

ARTICLE XIII - DRS' COVENANTS

13.1 Liens and Encumbrances. DRS shall keep the Premises free and clear of all liens and encumbrances. At PRPA's request, DRS shall furnish PRPA with written proof of payment of any item which would constitute the basis for such a lien on the Premises if not paid.

13.2 PRPA Regulations. DRS shall comply with all reasonable rules and regulations of PRPA, as provided by written notice to DRS, pertaining to the Premises or any buildings or structures located thereon, either now in existence or hereafter promulgated for the general safety and convenience of PRPA, its tenants, invitees, licensees and the general public to the extent that such rules and regulations do not materially conflict with the terms of this Agreement.

13.3 Security. DRS shall at all times provide adequate security for the entire Premises, which security shall be as agreed to by both parties and, failing such agreement, shall be as reasonably required by PRPA.

13.4 Railroads. DRS covenants and agrees that any railroad upon the Premises shall be operated on the "Belt Line Principle"; i.e., no railroad shall be granted an exclusive right to deliver and/or receive railcars to and from the Premises. DRS covenants and agrees that all railroad tracks leading to or from the Premises shall be operated on the same "Belt Line Principle" and to maintain free and unimpeded access to the Premises for any rail carrier delivering or receiving cars to or from the Premises. DRS further agrees that all railroad tracks shall be kept clear of any and all obstructions including, without limitation, snow and ice, and temporary or moveable structures and equipment.

13.5 Fire Safety. DRS shall use every reasonable precaution against fire.

13.6 Sanitation. DRS shall promptly remove all dirt, rubbish and refuse matter from the Premises and keep the same clean at all times to the satisfaction of PRPA and the Commonwealth, and other governmental agencies having jurisdiction thereof, provided said removal does not unreasonably interfere with DRS' business or is unduly burdensome. Upon 24 hours prior written notice by PRPA, DRS shall remove any dirt, rubbish, and/or refuse from the Premises. If DRS refuses to remove such material, PRPA shall have the right (but not the obligation) to remove same and to charge DRS 125% of the cost of such removal.

13.7 Explosives. DRS shall not discharge, load or store, nor permit the discharging, loading or storage of explosive materials of any kind upon the Premises, or vessels, railroad cars, trucks or other vehicles moored to or upon the Premises except as permitted in writing by PRPA or the City of Philadelphia's regulation of March 30, 1983, as heretofore or hereafter amended,

supplemented or replaced (attached as Exhibit "G"), any such discharge, loading or storage being hereby specifically prohibited.

13.8 Snow and Ice. DRS shall immediately remove accumulations of snow and ice from the Premises and, to the extent practical and in accordance with the responsibilities of DRS hereunder, keep all roofs, eave boxes and deck drains free from any obstruction.

ARTICLE XIV - DAMAGE TO THE PREMISES

14.1 Damage and Destruction.

14.1.1 Repairs. In the event that the Premises or any part thereof is damaged or destroyed by fire or other casualty, provided that DRS is not in default of this Agreement and that no event, occurrence, action or inaction has occurred and is continuing, which with the passage of time or giving of notice, or both, would render DRS in default of this Agreement, PRPA shall, subject to its rights under this Section 14.1.1, promptly and diligently restore, rebuild and repair the Premises, as the case may be, solely to the extent of DRS' available insurance proceeds (all of which shall be paid directly to PRPA by the insurer), as nearly as practicable to the condition existing immediately prior to such casualty.

14.1.2 Demolition. In the event any portion of the Premises is damaged or destroyed and PRPA, pursuant to this Section 14.1.2, elects not to restore, rebuild or repair such portion of the Premises, then PRPA shall raze or otherwise make secure such portion of the Premises, to the extent feasible solely utilizing DRS' available insurance proceeds, all of which shall be paid directly to PRPA by the insurer.

14.1.3 Base Rent Abatement. DRS shall be entitled to an equitable reduction of the Base Rent during any period in which the Premises or any portion thereof is not usable by DRS due to damage or destruction caused by a fire or casualty for which DRS and its employees and contractors do not have any liability, to the extent such inability to use that portion of the Premises substantially hinders DRS' ability to handle cargo at the Premises.

14.1.4 No Consequential Damages. No damages, compensation or claim of any kind shall be payable to DRS by PRPA for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Premises following a casualty provided PRPA acts diligently to repair such damage. Subject to the other provisions of this Article XIV, PRPA shall use all reasonable efforts to effect repair or restoration undertaken pursuant to this Article XIV promptly and in such manner as to not unreasonably interfere with DRS' use, occupancy and security.

14.1.5 DRS' Duty to Insure. PRPA will not carry insurance of any kind on DRS' personal property, cargo, property of others, or on any alterations or improvements constructed at the Premises by DRS and, except as otherwise specifically required by law or this Agreement, shall not be obligated to repair any damage thereto or replace the same.

14.1.6 Limitation. Notwithstanding anything to the contrary contained in this Article XIV, in the event the damage shall involve the Premises generally and shall be so extensive that PRPA shall decide not to rebuild or repair the Premises, or if available insurance proceeds are insufficient to repair or rebuild the damage, or if the casualty shall be of a type not insured against under standard fire policies with extended type coverage, this Agreement shall, at the option of PRPA, exercisable by written notice to DRS given within ninety (90) calendar days after PRPA is notified of the extent of the casualty, be terminated as of a date specified in such notice (which shall not be more than sixty (60) calendar days thereafter) and the Base Rent (taking into account any abatement as aforesaid) shall be adjusted proportionately as of the termination date and DRS shall thereupon promptly vacate the Premises.

ARTICLE XV - WAIVER

15.1 Waivers. No waiver by either party at any time of any of the terms, conditions, covenants or agreements of this Agreement shall be meant to be taken as a waiver at any time thereafter (i) of the same or of any other term, condition, covenant or agreement herein contained, nor (ii) of the strict and prompt performance thereof by the proper party.

ARTICLE XVI - MECHANIC'S LIENS

16.1 Mechanic's Liens. DRS will not permit, and will promptly discharge, at its sole cost and expense, all liens and charges upon the Premises or any part thereof arising by reason of any labor or materials furnished or claimed to have been furnished to or on behalf of DRS, its agents, sublessees, licensees, assignees, permittees, employees or independent contractors or by reason of any construction, alteration, addition, repair or demolition of any part of the Premises (by or on behalf of DRS, its agents, sublessees, licensees, assignees, permittees, employees or independent contractors). PRPA shall have, and is hereby given authority to enter upon the Premises at any reasonable time to post notices in a reasonable manner and at reasonable places which in its option shall be necessary to hold PRPA harmless from any claim or liability arising out of any work done on the Premises. Notice is hereby given that PRPA will not be liable for any labor, services or materials furnished or to be furnished by or for DRS, or to any holding on the Premises through or under DRS, and that no mechanic's or other such liens for any such labor or materials shall attach to or affect the interest of PRPA in and to the Premises.

ARTICLE XVII - EMPLOYMENT PRACTICES

17.1 Employment Practices. During the Term, DRS hereby agrees to comply fully with the Employment Practices Requirements as set forth in Exhibit "H" attached hereto and made a part hereof.

ARTICLE XVIII - REMEDIES

18.1 PRPA's Remedies. If DRS does not pay in full when due any installment of Rent, or any other charge, expenses or costs to be paid by DRS under this Agreement after the expiration of the applicable notice and grace periods provided in Section 18.1.5, or otherwise fails to perform, violates or otherwise breaks any covenant of DRS in this Agreement, or fails to comply with any notice given under the terms of this Agreement after expiration of the applicable notice and grace periods provided in Section 18.1.5, then PRPA shall have the following rights and remedies in addition to any other remedies available at law or in equity (including injunctive relief in the case of a default of any non-monetary obligation by DRS under this Agreement):

18.1.1 The entire Rent for the entire Term of this Agreement, as well as all other fees, charges, payments, costs and expenses to be paid by DRS under this Agreement, or at PRPA's option, any part thereof, shall at the option of PRPA, be taken to be due and payable forthwith and in arrears as if by the terms of this Agreement it or they were all payable in advance, with the right on the part of PRPA to take such action under the provisions of this Agreement as is provided for when rent is in arrears and unpaid, and the unpaid balance of the entire rent for the entire Term of this Agreement shall be first paid out of the proceeds realized under any assignment, receivership, or under any sheriff's or marshal's sale, or sale under proceeds in bankruptcy, insolvency or like proceedings, or under any other compulsory procedure or order of court, any law, usage or custom to the contrary notwithstanding.

18.1.2 THE FOLLOWING PARAGRAPHS SET FORTH WARRANTS OF AUTHORITY FOR AN ATTORNEY TO CONFESS JUDGMENT AGAINST DRS.

(i) IF DRS SHALL DEFAULT IN THE PAYMENT OF RENT, ADDITIONAL RENT OR ANY OTHER SUMS DUE UNDER THIS AGREEMENT BY DRS, DRS HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR DRS IN ANY AND ALL SUITS OR ACTIONS WHICH MAY BE BROUGHT FOR SAID RENT, ADDITIONAL RENT AND/OR OTHER SUMS; AND IN SAID SUITS OR ACTIONS TO CONFESS JUDGMENT AGAINST DRS FOR ALL OR ANY PART OF SAID RENT, ADDITIONAL RENT AND/OR OTHER SUMS AND FOR INTEREST AND COSTS, TOGETHER WITH AN ATTORNEYS' COMMISSION FOR COLLECTION OF FIVE PERCENT BUT NOT LESS THAN TEN THOUSAND DOLLARS ($10,000). SUCH AUTHORITY SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AS OFTEN AS ANY OF SAID RENT, ADDITIONAL RENT OR OTHER SUMS SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE TERMINATION OR EXPIRATION OF THE TERM OF THIS AGREEMENT.

(ii) WHEN THIS AGREEMENT OR DRS' RIGHT OF POSSESSION SHALL BE TERMINATED BY COVENANT OR CONDITION BROKEN, OR FOR ANY OTHER REASON, EITHER DURING THE TERM OF THIS AGREEMENT, AND ALSO WHEN AND AS SOON AS SUCH TERM SHALL HAVE EXPIRED OR BEEN TERMINATED, DRS HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY

ATTORNEY OF ANY COURT OF RECORD AS ATTORNEY FOR DRS AND ANY PERSONS CLAIMING THROUGH OR UNDER DRS TO CONFESS JUDGMENT IN EJECTMENT AGAINST DRS AND ALL PERSONS CLAIMING THROUGH OR UNDER DRS FOR THE RECOVERY BY PRPA OF POSSESSION OF THE PREMISES, FOR WHICH THIS AGREEMENT SHALL BE SUFFICIENT WARRANT, WHEREUPON, IF PRPA SO DESIRES, A WRIT OF EXECUTION OR OF POSSESSION MAY ISSUE FORTHWITH, WITHOUT ANY PRIOR WRIT OR PROCEEDINGS WHATSOEVER, AND PROVIDED THAT IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED THE SAME SHALL BE DETERMINED, CANCELED OR SUSPENDED AND POSSESSION OF THE PREMISES REMAIN IN OR BE RESTORED TO DRS OR ANY PERSON CLAIMING THROUGH OR UNDER DRS, PRPA SHALL HAVE THE RIGHT, UPON ANY SUBSEQUENT DEFAULT OR DEFAULTS, OR UPON ANY SUBSEQUENT TERMINATION OR EXPIRATION OF THIS AGREEMENT OR ANY RENEWAL OR EXTENSION HEREOF, OR OF DRS' RIGHT OF POSSESSION, AS HEREINBEFORE SET FORTH, TO CONFESS JUDGMENT IN EJECTMENT AS HEREINBEFORE SET FORTH ONE OR MORE ADDITIONAL TIMES TO RECOVER POSSESSION OF THE PREMISES.

(iii) IN ANY ACTION OF OR FOR EJECTMENT OR FOR RENT OR ADDITIONAL RENT, IF PRPA SHALL FIRST CAUSE TO BE FILED IN SUCH ACTION AN AFFIDAVIT MADE BY IT OR SOMEONE ACTING FOR IT SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF JUDGMENT, SUCH AFFIDAVIT SHALL BE CONCLUSIVE EVIDENCE OF SUCH FACTS; AND IF A TRUE COPY OF THIS AGREEMENT (AND OF THE TRUTH OF THE COPY SUCH AFFIDAVIT SHALL BE SUFFICIENT EVIDENCE) BE FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY, ANY RULE OF COURT, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING. DRS RELEASES TO PRPA, AND TO ANY AND ALL ATTORNEYS WHO MAY APPEAR FOR DRS, ALL PROCEDURAL ERRORS IN ANY PROCEEDINGS TAKEN BY PRPA, WHETHER BY VIRTUE OF THE WARRANTS OF ATTORNEY CONTAINED IN THIS AGREEMENT OR NOT, AND ALL LIABILITY THEREFOR.

18.1.3 PRPA may, at its option, relet the Premises as agent of DRS for the balance of the Term and receive the rent therefor and apply the same to the payment of any Rent or damage for default of any obligation under this Agreement or any covenant herein contained due by DRS to PRPA under the terms hereof.

18.1.4 To the extent permitted by law, PRPA may itself or by its agent, without notice, enter upon the Premises, either by force or otherwise, and eject and expel DRS and all others therefrom, without being liable to any prosecution or action therefor, the consent of DRS being hereby given to PRPA and to any officer or agent of PRPA holding a warrant of distress or writ of execution issued by PRPA against DRS to break or otherwise open all locked doors or windows for the purpose of such entry; and upon such entry PRPA or any officer or agent of PRPA holding such a warrant of distress or writ of execution may attach and levy upon any goods found therein.

18.1.5 In the event of any alleged default of any obligation under this Agreement or any covenant herein contained by DRS, PRPA shall promptly give written notice thereof to DRS and DRS shall have a period of ten (10) calendar days in the case of the nonpayment of any Rent and in all other cases a period of thirty (30) calendar days after receipt of such written notice to cure any such alleged default of any obligation under this Agreement or any covenant herein contained. PRPA agrees that it will not exercise any remedy for a default under this Agreement until after the expiration of the appropriate period, and further agrees that it will not exercise any remedy against DRS if within the appropriate period DRS (i) cures the default other than the nonpayment of Rent, or (ii) commences action in good faith within said thirty (30) day period to cure the default within a reasonable time and diligently pursues such cure to completion.

18.2 True Copies of Agreement. In exercising any power conferred under this Agreement, either by the entry of an appearance, or by the confession of a judgment if PRPA, or its agent or attorney, shall cause to be filed in such action an affidavit setting forth the facts necessary to authorize the entry of judgment and if a true copy of this Agreement (as of the truth of the copy, such affidavit shall be sufficient proof) be filed in such proceedings, it shall not be necessary to file the original as a warrant of attorney, any law, or rule of court to the contrary notwithstanding.

18.3 No Exhaustion of Powers. Any power herein given to enter an action or to appear for and confess and enter judgment against DRS, and the right to assess damages under any such judgment, shall be exercisable any number of times and shall not, under any circumstances, be exhausted by one or more uses thereof.

18.4 Waiver of Exemptions. DRS hereby waives and releases unto PRPA the benefit of any laws which do now or hereafter shall exempt any property upon the Premises or elsewhere belonging to DRS from levy and sale upon distress for the rents or sums of money hereby reserved as rent, or upon any execution on any judgment obtained in an action brought for a default of any obligation under this Agreement.

18.5 Remedies Cumulative. All of the remedies herein given to PRPA and all rights and remedies given to it by law shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Premises shall deprive PRPA of any of its remedies or actions against DRS for all arrears of Rent, or for damages, or for a default of any obligation under this Agreement or of any covenant herein contained, nor shall the bringing of any action for arrears of Rent or a default of any obligation or covenant under this Agreement or the resort to any other remedy herein provided for the recovery of arrears of Rent be construed as a waiver of the right to obtain possession of the Premises.

18.6 DRS' Warranty. IN CREATING ANY WARRANT OF ATTORNEY TO CONFESS JUDGMENT, CONTAINED IN THIS AGREEMENT, DRS REPRESENTS AND WARRANTS THAT IT KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND ON THE ADVICE OF ITS SEPARATE COUNSEL, HAS AGREED TO SUCH REMEDY AND RIGHTS GRANTED THEREBY TO PRPA.

ARTICLE XIX - SIGNS

19.1 Signs. DRS shall not place a sign on or about the Premises or any building or structure located thereon without the prior written consent of PRPA. PRPA reserves the exclusive right to place signs at the Premises provided same does not interfere or compete with DRS' business. DRS agrees to remove promptly, to the satisfaction of PRPA, and at the cost and expense of DRS, upon the expiration of the Term or the earlier termination of this Agreement, any and all signs and placards placed by it upon the Premises, and to repair all damage caused by such removal or the initial installation of such sign.

ARTICLE XX - REPRESENTATIONS AND WARRANTIES OF DRS

20.1 Authorization. DRS and the individual signing below on DRS' behalf hereby represent and warrant to PRPA that DRS has the requisite power and authority to make and perform its obligations under this Agreement, and that the execution of this Agreement has been duly authorized by all requisite corporate action.

20.2 Non-Conflict. DRS hereby represents and warrants to PRPA that the execution, delivery and performance of this Agreement will not violate any provision of, nor conflict with, nor result in a default pursuant to Resolution No. 2002-17 adopted on June 19, 2002, of, any of the terms, conditions, or provisions of, nor constitute a default under, any agreement, indenture or instrument to which DRS is a party.

ARTICLE XXI - EMINENT DOMAIN

21.1 Title to Award. In the event the Premises or any part thereof shall be taken or condemned either permanently or temporarily for any public or quasi-public use or purpose by any competent authority in appropriation proceedings or by any right of eminent domain, the entire compensation award therefor, including, but not limited to, all damages as compensation for diminution in value of the leasehold, reversion, and fee, shall belong to PRPA without any deduction therefrom of any present or future estate of DRS, and DRS hereby assigns to PRPA all its right, title, and interest to any such award. DRS shall nonetheless have the right to independently claim and recover from the condemning authority, but not from PRPA or in diminution of the sums payable to PRPA by the condemning authority, such compensation as may be separately awarded or recoverable by DRS on account of any damage to DRS' business by reason of the condemnation or on account of any cost or loss to which DRS might be put in removing DRS' merchandise, furniture, fixtures, leasehold improvements and equipment.

21.2 Permanent Taking. If the whole of the Premises shall be taken by any public authority under the power of eminent domain, this Agreement shall terminate as of the day possession shall be taken by such public authority, and DRS shall pay Rent up to that date with an appropriate refund by PRPA of such Rent as shall have been paid in advance for a period subsequent to the date of the taking. If less than twenty-five percent (25%) of the area of the

Premises shall be so taken, this Agreement shall terminate only with respect to the parts so taken as of the day possession shall be taken by such public authority, and DRS shall pay Rent for the entire Premises up to that day with appropriate refund by PRPA of a proportionate share of such Rent as may have been paid in advance for a period subsequent to the date of the taking and, thereafter, the Basic Rent shall be equitably adjusted, and PRPA shall at its expense make all necessary repairs or alterations to the affected portion of the Premises; provided, however, that if either PRPA or DRS reasonably determines that such taking results in DRS being unable to continue to conduct the Permitted Use at the Premises, either PRPA or DRS may terminate this Agreement by written notice delivered to the other within thirty (30) calendar days after such taking occurs. If more than twenty-five percent (25%) of the area of the Premises shall be so taken, then this Agreement shall terminate with respect to the part so taken from the day possession shall be taken by such public authority, and DRS shall pay Rent for the entire Premises up to that day with an appropriate refund by PRPA of a proportionate share of such Rent as may have been paid in advance for a period subsequent to the date of the taking, and either party shall have the right to terminate this Agreement upon notice in writing within thirty (30) calendar days after such taking of possession; provided, that in the event neither party so terminates, all of the terms herein provided shall continue in effect except that the Base Rent shall be equitably abated, and PRPA shall make all necessary repairs or alterations to the affected portion of the Premises.

21.3 Temporary Taking. If less than the fee title to all or any portion of the Premises shall be taken for temporary use or occupancy, this Agreement shall continue in full force and effect without reduction or abatement of the Base Rent except as herein provided, and DRS shall be entitled to make claim for, recover, and retain (so long as DRS shall not be in default under this Agreement) any awards in the form of rent recoverable in respect of such taking, except that if such taking shall be for a period extending beyond the expiration of the Term of this Agreement, PRPA shall be entitled to receive such portion of the award as shall be attributable to the portion of such period occurring after such expiration. During the period of any such taking prior to the expiration of the Term of this Agreement, DRS shall pay to PRPA Rent as provided for in this Agreement. If any such taking extends for six (6) months or more, DRS shall have the right to terminate this Agreement upon thirty (30) calendar days written notice to PRPA.

21.4 DRS' Recovery of Unamortized Capital Improvements. DRS shall have the right to make a claim against PRPA for the unamortized portion of any capital improvements made by DRS at the Premises. For purposes of this provision, the amortization period for any capital improvement shall be the period commencing upon the date of completion of such capital improvement and expiring upon the Termination Date. For purposes of this Section 21.4, any relocation or purchase of a third crane pursuant to Section 3.5 shall be deemed a capital improvement. However, in the case of a temporary taking, DRS' claim shall be limited to annual payments equal to the amortization for that year.

ARTICLE XXII - MISCELLANEOUS

22.1 Notices. Any notice permitted or required to be sent under this Agreement by either party to the other party shall be in writing, and shall be deemed to have been given when served in person on the addressee against a signed receipt, or sent by certified mail, return receipt requested, or by commercial overnight delivery service, postage prepaid, addressed as follows:

If to PRPA:

Philadelphia Regional Port Authority
3460 North Delaware Avenue
Philadelphia, PA 19134
Attention: James T. McDermott, Jr., Esquire
Executive Director

Philadelphia Regional Port Authority
3460 North Delaware Avenue
Philadelphia, PA 19134
Attention: Gregory V. Iannarelli, Esquire
Chief Counsel

with a copy to:

Reed Smith LLP
2500 One Liberty Place
1650 Market Street
Philadelphia, PA 19103-7301
Attention: Peter J. Tucci, Esquire

If to DRS:

Delaware River Stevedores, Inc.
441 North Fifth Street, Suite 101
Philadelphia, PA 19123
Attention: Robert W. Palaima
President

with a copy to:

Klett Lieber Rooney & Schorling
Two Logan Square, 12th Floor
Philadelphia, PA 19103-6901
Attention: Jan Z. Krasnowiecki, Esquire

or at such other place and to such other persons as the parties hereto may from time to time designate. Notices may be given on behalf of either party by such party's counsel.

22.2 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth which are applicable to agreements made and to be performed wholly within the Commonwealth. Any action brought to enforce or interpret the terms of this Agreement shall be brought solely in the Court of Common Pleas of Philadelphia, Pennsylvania or in the United States District Court for the Eastern District of Pennsylvania. DRS hereby irrevocably consents to service of process upon DRS in any litigation by hand delivery to any employee of DRS at the Premises. Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of the rule or conclusion that a document should be construed more strictly against the party who itself or through its agent prepared same. It is agreed and stipulated that all parties hereto have participated equally in the preparation of this Agreement.

22.3 Gender and Number. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any Section or clause thereof may require, as if such words had been fully and properly written in such number and gender.

22.4 Captions. The captions and table of contents in this Agreement are inserted only as a matter of convenience and for ease of reference and in no way define, limit, enlarge or describe the scope or intent of this Agreement nor shall they in any way affect this Agreement or the construction of any provision hereof.

22.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall be binding when one or more counterparts hereof, individually or taken together, shall bear the signature of all the parties reflected on this Agreement as signatories.

22.6 DRS' Successors and Assigns. The covenants, conditions and agreements in this Agreement shall bind and inure to the benefit of DRS, and, except as otherwise expressly provided in this Agreement, its legal representatives, successors and assigns.

22.7 PRPA's Successors and Assigns; Limitation of Liability. The term "PRPA" as used in this Agreement means the fee owner of the Property from time to time or, if different, the party from time to time holding and exercising the right as against all others to possession of the Premises or any entity to which PRPA conveys, assigns or transfers all or part of its interest in the Premises at any time and from time to time. PRPA represents that it is the holder of such right as of the date hereof. In the event of the voluntary or involuntary transfer of such ownership or right to a successor-in-interest of PRPA, PRPA shall be discharged and relieved of

all liability and obligations under this Agreement which shall thereafter accrue, provided the successor-in-interest assumes said liability and obligations, and DRS shall look solely to such successor-in-interest for the performance of the covenants and obligations of PRPA under this Agreement which shall thereafter accrue. The liability of PRPA and its successors-in-interest under or with respect to this Agreement, and of PRPA's directors, officers, shareholders or constituent partners, shall be strictly limited to and enforceable solely out of its or their interest in the Premises and shall not be enforceable out of any other assets, and DRS shall cause the judgment index to be so marked. Subject to the foregoing, the provisions hereof shall bind and inure to the benefit of the successors and assigns of PRPA.

22.8 Invalidity of Provisions. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

22.9 No Joint Venture. Nothing herein contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of (i) principal and agent, (ii) a partnership, or (iii) a joint venture between the parties hereto, it being understood and agreed that neither any provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship to the parties hereto other than the relationship of landlord and tenant.

22.10 Exhibits. All exhibits attached to this Agreement are incorporated herein by this reference and made a part hereof as if fully set forth in this Agreement; provided, however, in the event that at the time of the execution of this Agreement any of the exhibits attached hereto are incomplete, the parties shall use their best efforts to complete such exhibits at the earliest possible date.

22.11 No Recordation. This Agreement shall not be recorded in the public records in whole or in memorandum form by either parties hereto without the prior written consent of the other.

22.12 Time of Essence. Time is of the essence of this Agreement.

22.13 Business Interruption. PRPA shall not be liable for damages by reason of any inconvenience or interruption to the business of DRS arising from any taking under the power of eminent domain, any loss or damage to or destruction of the Premises by fire, casualty or other cause whatsoever, or from the making of additions, alterations or repairs to the Premises, except if same was due to the negligence of PRPA, its agents or representatives.

22.14 Entire Agreement. This Agreement sets forth all the promises, agreements, conditions and understandings between PRPA and DRS relative to the Premises, and that there are no promises, agreements, conditions or understandings either oral or written, between them other than as are herein set forth. Except as otherwise provided herein, no subsequent alteration,

amendment, change or addition to this Agreement shall be binding upon PRPA and DRS unless made in writing and signed by both parties hereto.

22.15 Liability of the Commonwealth. This Agreement is not an obligation of the Commonwealth or any political subdivision thereof, other than PRPA, nor shall the Commonwealth or any political subdivision thereof, other than PRPA, be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the Commonwealth or any political subdivision thereof.

22.16 Marketing. DRS shall market its services offered at the Premises and the Premises itself in a professional, first class manner at least equivalent to the marketing efforts of similar enterprises. In furtherance of its marketing obligations, DRS shall establish a Marketing Task Force (which shall be comprised of, among others, Jim Pedersen, Darrel Bahner and Joseph Casella provided that such individuals are employed by DRS or any entity controlling, controlled by or under common control with DRS or have the capacity to continue such employment) to develop (jointly with PRPA) and implement specific marketing goals to maximize the use and operation of the Premises for increased cargo handling. DRS shall establish an automated information system and coordinate direct electronic communications links for daily contact among Marketing Task Force members and asynchronous conferencing, monthly teleconference briefings and face-to-face meetings on at least a quarterly basis. DRS agrees to coordinate all marketing efforts with PRPA and its designees and all current and future tenants, licensees and occupants of the Premises.

22.17 Operations Oversight Team. DRS and PRPA shall jointly establish an oversight operations team to be comprised of members from the respective operations staff of both DRS and PRPA. The Operations Oversight Team will meet routinely (not less than once a month) to discuss current and future operating problems and opportunities with respect to the Premises, critique past operations and efforts for improvement, and coordinate future goals with those of the Marketing Task Force to be established pursuant to Section 22.16 above.

22.18 Statutory Authority. This Agreement is being entered into pursuant to the provisions of Section 11(c) of the Philadelphia Regional Port Authority Act, Act of July 10, 1989, P.L. 291, No. 1989-50, with approval of a majority of the members of the Board of the Authority.

22.19 DRS Integrity Provisions. During the term of this Agreement, DRS hereby agrees to fully comply with the DRS Integrity Provisions set forth in Exhibit "I" attached hereto and made hereby made a part hereof.

22.20 Books, Records and Reports. DRS shall keep complete and accurate books, records and accounts relating to all operations of the Premises. DRS shall make all information relating to the operations of the Premises available to PRPA through electronic communication links. DRS shall submit to the Operations Department of PRPA on or before the 15th day of each calendar month during the Term of this Agreement a true and accurate report in the form attached hereto as Exhibit "J". PRPA or its designees shall have the right and privilege to inspect

and audit DRS' books, records and accounts at all reasonable times to verify the information contained in such monthly reports, and DRS agrees that such records and accounts shall be made available to PRPA upon request. If any audit discloses that DRS has understated the fees or Rent due to PRPA under this Agreement, DRS shall immediately, upon, demand pay to PRPA such unpaid fees and the costs and expenses incurred by PRPA in conducting such audit.

22.21 Estoppel Certificates. Each party hereby agrees that, at any time from time to time upon the written request of the other party (the "Requesting Party"), it shall within fifteen (15) days of the date of such written request, execute and deliver to the Requesting Party a written statement: (i) confirming the commencement and expiration dates of this Agreement; (ii) certifying that this Agreement is in full force and effect and has not been modified, assigned, supplemented or amended except by such writings as shall be stated; (iii) certifying that all conditions and agreements under this Agreement to be satisfied or performed by the Requesting Party have been satisfied and performed except as shall be stated; (iv) certifying that the Requesting Party is not in breach or default under this Agreement and there are no defenses or offsets against the enforcement of this Agreement by the Requesting Party except as shall be stated; (v) stating the date through which all rent and other sums payable under this Agreement have been paid; and (vi) providing any other information which the Requesting Party shall reasonably request.

22.22 Force Majeure.

22.22.1 Neither party hereto shall be deemed to be in breach of this Agreement by reason of failure to perform any of its obligations hereunder, if and to the extent that such failure is caused by a force majeure, which is a cause beyond the control of such party, such as an act of God, fire, flood, explosion, acts of war, riot, civil disorder, casualty caused by third parties not under the control of the party seeking to invoke the application of this Section, strikes or work stoppages (except such strikes or work stoppages resulting from such party's "unfair labor practices," as that term is used in the National Labor Relations Act) or governmental action. (Strikes or work stoppages shall be deemed not to have resulted from a party's unfair labor practices until such time, if any, that there is a final administrative or judicial determination, and no appeal is pending and the time for any such appeal has expired, that the conduct that caused such strike or work stoppage was an unfair labor practice, in which event any reduction in Base Rent payable pursuant to Section 3.1 attributable to the strike or work stoppage caused by such unfair labor practice (as determined by PRPA) shall be paid by DRS to PRPA within thirty (30) days of such determination.) In order for a party not to be deemed to be in breach of this Agreement by reason of force majeure, the parties must mutually agree that a certain event constitutes force majeure. For purposes solely with respect to this Section 22.22.1, any dispute concerning whether a particular event or series of events constitutes force majeure shall be settled pursuant to arbitration in accordance with the rules of the American Arbitration Association and any judgment upon any award rendered may be entered in any court having jurisdiction thereof.

22.22.2 All amounts payable by DRS hereunder whether characterized as rent, fees, charges or other sums and DRS' minimum performance guaranties set forth in Article IV of this Agreement shall not be affected by an event of force majeure except that if and to the extent that an event of force majeure materially adversely affects the ability of DRS to conduct maritime

operations at the Premises or the ability of a normal volume of vessels to use the Premises, the minimum performance guaranties set forth in Article IV of this Agreement shall be equitably reduced in an amount to be determined by PRPA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

THE PHILADELPHIA REGIONAL PORT AUTHORITY

By: _____
Name: James T. McDermott, Jr.
Title: Executive Director

DELAWARE RIVER STEVEDORES, INC.

By: _____
Name: Robert W. Palaima
Title: President

Approved as to Legality and Form:

THE PHILADELPHIA REGIONAL PORT AUTHORITY

By: _____
Name: Gregory V. Iannarelli
Title: Chief Counsel

Approved as to Propriety and Availability of Funds:

THE PHILADELPHIA REGIONAL PORT AUTHORITY

By: _____
Name: Bruce J. Colucci
Title: Fiscal Administrator

OFFICE OF THE ATTORNEY GENERAL

By: _____
Name: David J. DeVries
Title: Chief Deputy Attorney General

OFFICE OF THE BUDGET

By: _____
Name: Veronica Botts
Title: Comptroller

EXHIBIT "C"

CITY OF PHILADELPHIA

FIRE DEPARTMENT
Fire Administration Building
Broad & Spring Garden Streets, Philadelphia, Pa. 19123

JOSEPH R. RIZZO
Commissioner

March 30, 1983

Thomas J. Tomasco, CMAST&T Mgr.
Traffic and Regulatory Matters
Phila. Port Corporation
1020 Public Ledger Building
6th and Chestnut Streets
Philadelphia, Pa. 19106

Dear Mr. Tomasco:

The Philadelphia Fire Department, having recognized the need for appropriate guidelines to be followed when moving explosive material through the port of Philadelphia, met with representatives of those agencies and companies involved in the Marine Transportation Industry and developed the following regulations.

Effective immediately, the movement of explosive products through the Port of Philadelphia will be accomplished in compliance with the following:

I. GENERAL GUIDELINES -

[CFR-33§126.29(a), CFR-33§126.35, CFR-49§173.1(b)]

The U.S.C.G. Captain of the Port is authorized to require that any transaction of handling, storing, stowing, loading, discharging or transporting dangerous goods at or on a waterfront facility shall be undertaken and continued only under the immediate supervision and control of the Captain of the Port or his duly authorized representative and the local authority (Fire Department). Owners, operators and agents of waterfront facilities are not relieved of their primary responsibility for the safety and security of their facilities. It is the duty of each person who offers or receives hazardous materials for transportation to instruct his officers, agents and employees having any responsibility for preparing or receiving hazardous materials for shipment as to applicable city, state, and federal regulations and they are responsible for strict adherence to these regulations.

Exhibit I

Exhibit J

Prior to shipment of explosives in authorized vehicles to waterfront facilities for export, manufacturers are required under federal law (Code of Federal Regulations "CFR's 33 and 49) to obtain permits for transportation from local and federal regulatory agencies.

II. PROHIBITED COMMODITIES -

[CFR-49§171.7]

Through research, experimentation and extensive testing conducted by and under the auspices of the Bureau of Explosives of the Association of American Railroads (AAR), International Maritime Organization (IMO), Institute of Makers of Explosives (IME), National Fire Protection Association (NFPA) and other competent authorities, the transportation of the following explosives is forbidden ergo the handling and storage of these explosive in or on waterfront facilities is forbidden:

[CFR-49§173.51]

a. Explosive compounds, mixtures, or devices which ignite spontaneously or undergo marked decomposition when subject to a temperature of 167°F (75°C), for 48 consecutive hours.

b. Explosive mixtures or devices containing an acidic metal salt and a chlorate.

c. Explosive mixtures or devices containing an ammonium salt and a chlorate.

d. New explosive compounds, mixtures or devices not examined and assigned a recommended description and hazard class.

e. Leaking or damaged packages of explosives.

f. Nitroglycerin, diethylenegycol dinitrate or other liquified explosives not authorized as a desensitized liquid explosive or any solid compound mixtures or device designated and examined by the Bureau of Explosives.

g. Loaded firearms.

h. Fireworks that combine an explosive or blasting cap and a detonator.

Exhibit K

4

Exhibit I

Exhibit J

i. Fireworks containing yellow or white phosphorous.

j. Toy torpedoes, with a maximum outside dimension exceeding 7/8 inch or toy torpedoes containing a mixture of potassium chlorate, black antimony, and sulfur with an average weight of explosive composition for each unit exceeding four grains.

III. TRANSPORTATION OF EXPLOSIVES -

All transportation and handling of explosives will be accomplished in compliance with §5-1000 of the Philadelphia Fire Code.

Designated dangerous cargo as defined in CFR-49

Class "A" Explosives: CFR-49§173.53 to and including §173.86.
Class "B" Explosives: CFR-49§173.88 to and including §173.196.
Class "C" Explosives: CFR-49§173.100 to and including §173.114a.

in the amount specified below shall not be brought onto a waterfront facility, except when laden within a railroad car or highway vehicle and shall remain in such railroad or highway vehicles except when removed as an incident of its prompt transshipment, without prior notification ot the Captain of the Port:

- Explosives, Class "A", all shipments at any one time;

- Explosives, Class "B", in excess of one net ton at any one time;

- Explosives, Class "C", in excess of ten net tons at any one time.

Explosives approved for handling on marine facilities shall be delivered and loaded aboard vessels on sailing day. It shall be the responsibility of the Terminal Operator to coordinate delivery and loading functions so as to eliminate delay.

Exhibit K

4

5

Exhibit C

Exhibit I

Exhibit J

EXHIBIT A

IV. STORAGE OF EXPLOSIVES -

In instances of emergency or unforeseen delay, permission may be obtained from the Philadelphia Fire Department to retain the explosives on the facility in a "safe haven" approved by the Philadelphia Fire Department. The storage of Class "A" and Class "B" explosives in quantities in excess of 50 lbs. net explosive content, and Class "C" explosives in excess of 3000 lb. net explosive content on the land area of port facilities is prohibited. Each terminal handling explosives shall develop a specific "safe haven" plan which shall comply with CFR-27, Parts 181.198, 181.199, and 181.200 and the American Table of Distances for storage of explosive materials. "Safe Haven" plans must be submitted to, and inspected and approved by, the Philadelphia Fire Department.

Permission to use a "Safe Haven" for the storage of explosives will be granted or denied by the Fire Department based on the following criteria:

1. Nature of the emergency and/or unforeseen circumstances which lead to delay in loading.

2. Class of, and quantity of, explosives to be stored, and storage capacity of approved "safe haven".

3. Duration of storage in "safe haven".

These criteria will be considered and permission for "safe haven" use granted or denied on a case by case basis. The Fire Department may also seek input from the Coast Guard, the Terminal Operators, the Port Corporation, the DRPA, or other concerned entities or individuals in arriving at "safe haven" use decisions.

The Fire Department will continue to monitor this procedure, and will adjust this policy position as the need arises.

Sincerely,

Joseph R. Rizzo

Joseph R. Rizzo
Fire Commissioner

EXHIBIT "F"

LOAD LIMITS

In general, the load limit on the paving at Tioga Terminal is 1000 psf. The maximum allowable concentrated stationary load is 50,000 psf.

Note that Tioga III Building was built over a City of Philadelphia sewer. The sewer location is striped on the floor of the shed, and the load limit within the striping is 500 psf.

EXHIBIT "G"

GUIDELINES REGARDING EXPLOSIVES

[DOCUMENT PREVIOUSLY SUPPLIED BY PRPA TO DRS]

EXHIBIT "H"

EMPLOYMENT PRACTICES REQUIREMENTS

During the Term of this Agreement, DRS agrees as follows:

1. DRS shall not discriminate against any employee, applicant for employment, independent contractor, or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. DRS shall take affirmative action to ensure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. DRS shall post in conspicuous places, available to employees, agents, applicants for employment and other persons, a notice setting forth the provisions of this nondiscrimination clause.

2. DRS shall in advertisements or requests for employment placed by it or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.

3. DRS shall send each labor union or workers' representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by DRS.

4. It shall be no defense to a finding of a noncompliance with Contract Compliance Regulations issued by the Pennsylvania Human Relations Commission or this nondiscrimination clause that DRS had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if this evidence indicates that DRS was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.

5. Where the practices of a union or any training program or other source of recruitment will result in the exclusion of minority group persons, so that DRS will be unable to meet its obligations under the Contract Compliance Regulations issued by the Pennsylvania Human Relations Commission or this nondiscrimination clause, DRS shall then employ and fill vacancies through other nondiscriminatory employment practices.

6. DRS shall comply with the Contract Compliance Regulations of the Pennsylvania Human Relations Commission, 16 Pa. Code Chapter 49, and with all laws prohibiting discrimination in hiring or employment opportunities. In the event of DRS' noncompliance with the nondiscrimination clause of this Agreement or with any such laws, this Agreement may, after hearing and adjudication, be terminated or suspended, in whole or in part, and DRS may be declared temporarily ineligible for further Commonwealth contracts, and such other sanctions may be imposed and remedies invoked as provided by the Contract Compliance Regulations.

7. DRS shall furnish all necessary employment documents and records to, and permit access to its books, records and accounts by, PRPA and the Human Relations Commission, for purposes of investigation to ascertain compliance with the provisions of the Contract Compliance Regulations, pursuant to §49.35 (relating to information concerning compliance by contractors). If DRS does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting agency or the Commission.

8. In the event DRS seeks to sublease the Premises, DRS shall actively recruit minority sublessees or sublessees with substantial minority representation among their employees.

9. DRS shall include the provisions of this nondiscrimination clause in any sublease of the Premises, so that such provisions will be binding upon each sublessee.

10. The terms used in this nondiscrimination clause shall have the same meaning as in the Contract Compliance Regulations issued by the Pennsylvania Human Relations Commission, 16 Pa. Code Chapter 49.

11. DRS' obligations under this clause are limited to the Premises.

EXHIBIT "I"

DRS INTEGRITY PROVISIONS

1. Definitions

a. "Confidential" means information that is not public knowledge, or available to the public upon request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with PRPA.

b. "Consent" means written permission by a duly authorized officer or employee of PRPA provided that where the material facts have been disclosed, in writing, by prequalifications, bid, proposal, or contractual terms, PRPA shall be deemed to have consented by virtue of execution of this Agreement.

c. "Financial interest" means:

(1) ownership of more than a 5% interest in any business; or

(2) holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

d. "Gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscription, advances, deposits of money, services, employment of contracts of any kind.

e. "DRS" means the individual or entity that has entered into this Agreement with PRPA, including directors, officers, partners, managers, key employees, and owners of more than a 5% interest.

2. DRS shall maintain the highest standards of integrity in the performance of this Agreement and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth of Pennsylvania (the "Commonwealth") or PRPA.

3. DRS shall not disclose to others any confidential information gained by virtue of this Agreement.

4. DRS shall not, in connection with this or any other agreement with PRPA or the Commonwealth, directly or indirectly, offer, confer, or agree to confer, any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of PRPA or the Commonwealth.

5. DRS shall not, in connection with this or any other agreement with PRPA or the Commonwealth, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of PRPA or the Commonwealth.

6. Except with the consent of PRPA, neither any sublessee or anyone in privity with said sublessee shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of obligations under this Agreement except as provided therein.

7. Except for agreements in which PRPA and DRS are named parties, DRS shall not have a financial interest in any contractor, subcontractor, or supplier providing services, labor, or material on any port-related project conducted by PRPA unless consent therefor is granted by PRPA.

8. DRS, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify PRPA in writing.

9. DRS, by execution of this Agreement, certifies and represents that he has not violated any of these provisions.

10. DRS shall, upon request of PRPA, reasonably and promptly make available to PRPA, for inspection and copying, all business and financial records of DRS of, concerning, and referring to this Agreement with PRPA, or which are otherwise relevant to the enforcement of these provisions.

11. For violation of any of the above provisions, PRPA may terminate this and any other agreement with DRS, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another DRS to complete performance hereunder, and debar and suspend DRS from doing business with PRPA. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those PRPA and/or the Commonwealth may have under law, statute, regulation or otherwise.

EXHIBIT "J"

ACTIVITY REPORT

[DOCUMENT PREVIOUSLY SUPPLIED BY PRPA TO DRS]

Hoga Breakbulk Terminal or Hoga Container Terminal

Month of _____ '99__

Automobiles

Vessel	Date	Loaded Units	Loaded Metric Tons	Unloaded Units	Unloaded Metric Tons

Terminal Activity Report
Tioga Breakbulk Terminal & Tioga Container Terminal
Month of _____, 199__

		Containers Loaded			Unloaded		
Vessel/Barge	Date	TEU	FEU	Metric Tons	TEU	FEU	Metric Tons
Total							

Activity Report

Month of _____, 199__

In-Transit Containers for

Tioga Breakbulk Terminal & Tioga Container Terminal

Full Containers

Company	TEU's	FEU's	Metric Tons
Total			

Empty Containers

Company	TEU's	FEU's	Metric Tons

Hoga Breakbulk Terminal & Hoga Container Terminal

Month of _____, 199_

Perishable Cargo

		Loaded		Unloaded	
Vessel	Date	Cases	Metric Tons	Cases	Metric Tons
Total					

Activity Report

Month of _____, 199__

Vessel Activity

Tioga Container Terminal

Vessel	Line	Date	TEU's

Tioga Breakbulk Terminal

Vessel	Line	Date	TEU's

Termnial Activity

TCT

Moves _____

Cars _____

FC _____

TBT

Gate Moves _____

Rail Cars _____

COFC _____

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3

4

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Exhibit C

Exhibit D

Exhibit E