Torres Rojas, Genara

FOI#12694

From: mdefilippis@papba.org
Sent: Friday, October 14, 2011 11:59 AM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: Michael
Last Name: DeFilippis
Company: Port Authority PBA
Mailing Address 1: 611 Palisade Ave.
Mailing Address 2:
City: Englewood Cliffs
State: NJ
Zip Code: 07632
Email Address: mdefilippis@papba.org
Phone: 201-871-2100
Required copies of the records: Yes

List of specific record(s):
the lease between Jet Aviation, 112 Charles A. Lindberg Drive Teterboro, NJ and the Port Authority of NY NJ

THE PORT AUTHORITY OF NY & NJ

Daniel D. Duffy
FOI Administrator

December 9, 2011

Mr. Michael DeFilippis
Port Authority Police
Bennevolent Association
611 Palisade Avenue
Englewood Cliffs, NJ 07632

Re: Freedom of Information Reference No. 12694

Dear Mr. DeFilippis:

This is a response to your October 14, 2011 request, which has been processed under the Port Authority's Freedom of Information Policy (the "Policy," copy enclosed) for a copy of the lease between the Port Authority and Jet Aviation.

Material responsive to your request and available under the Policy, which consists of 80 pages, will be forwarded to your attention upon receipt of a photocopying fee of $20 (25¢ per page). Payment should be made in cash, certified check, company check or money order payable to "The Port Authority of New York & New Jersey" and should be sent to my attention at 225 Park Avenue South, 17th Floor, New York, NY 10003.

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

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

Sincerely,

Daniel D. Duffy
FOI Administrator

Enclosure

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

THIS SUPPLEMENT SHALL NOT BE BINDING UPON
THE PORT AUTHORITY UNTIL DULY EXECUTED BY
AN EXECUTIVE OFFICER THEREOF AND DELIVERED
TO THE USER BY AN AUTHORIZED REPRESENTATIVE
OF THE PORT AUTHORITY

AVIATION DEPT.
FILE COPY

Teterboro Airport
Agreement TA-301
Supplement No. 1

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of September 1, 2001 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and JET AVIATION TETERBORO, L.P., a New Jersey limited partnership (hereinafter called the "User"),

WITNESSETH, THAT:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter called "the Port Authority") is the owner of Teterboro Airport located in the Boroughs of Teterboro, Moonachie and Hasbrouck Heights and in the Township of Lyndhurst, County of Bergen in the State of New Jersey; and

WHEREAS, a Use and Occupancy Agreement, bearing file No. TA-301 and made effective as of December 1, 2000, was entered into between the Port Authority and the User for the use and occupancy of certain Space at Teterboro Airport (which Use and Occupancy Agreement is hereinafter referred to as the "Agreement"); and

WHEREAS, the User desires to perform certain construction work at the Space as hereinafter described and to amend the Agreement in other respects as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual agreements and respective promises herein contained and made by the parties hereto, the parties hereby agree, effective as of ~~February 1, 2001~~ December 1, 2000 unless otherwise stated, as follows:

1. The term of this Agreement shall commence on December 1, 2000 and, unless sooner terminated in accordance with the terms of this Agreement, shall expire on December 31, 2022.

2. (a) In addition to the New Facility (hereinafter called "Project No. 1"), as defined in Section 6 of the Agreement, the User shall also design, construct and install a new 39,750 square foot or more infield hangar approximately within the new infield portion of the Space together with all infield paving, shall relocate and construct Taxiway M approximately as shown east of the new infield portion of the Space as shown on Exhibit A hereof, and shall design, construct and install a new landside parking lot south of the west parking area as shown on Exhibit A hereof to be and become a part of the Space under the Agreement (hereinafter called "Project No. 2"), all of the foregoing to be part of the Construction Work and to be constructed in accordance with the provisions of Section 6 of the Agreement. Project No. 1 shall be substantially completed no later than ~~September 30, 2001~~ November 30, 2001 and Project No. 2 shall be substantially completed no later than September 30, 2002. (e) 1pk

(b) Upon completion of the relocation and construction of the new Taxiway M, approximately 235,841 square feet of ramp area, as shown in orange on Exhibit A hereof, shall be added to the Space hereunder. The User shall pay to the Port Authority an annual fee, based on a 2001 base rate of $1.0734 per square foot, of Two Hundred Fifty-three Thousand One Hundred Fifty-one Dollars and Seventy-three Cents ($253,151.73) in equal monthly installments of Twenty-one Thousand Nineth-five Dollars and Ninety-eight Cents ($21,095.98), which amounts shall be subject to escation in accordance with the terms and conditions set forth in Section 8 of the Ageement.

(c) The parties hereby acknowledge that a survey is being performed with respect to the areas of the Space and that the above square footages and fee amounts are subject to the finalization of said survey and recomputation in accordance therewith.

3. (a) The following terms as used in this Supplemental Agreement shall have the respective meanings given below, it being understood that all of the following shall apply to Project No. 1 and to Project No. 2:

(1) Each payment.made by the Port Authority to the User is herein referred to as a "Construction Advance." The date each Construction Advance is made is herein referred to as a "Construction Advance Date."

(2) The term the "Final Date" shall be applied both to the construction of Project No. 1 and to Project No. 2. With respect to each, as used herein the term shall mean the respective date three (3) months after the respective Completion Date of Project No. 1 and to Project No. 2.

(3) The term "the Construction Advance Amount" shall mean the sum of the first Construction Advance and each additional further Construction Advance paid by the Port Authority to the User pursuant to paragraphs (a) and (b) hereof.

(4) The term "the Cost of the Construction Work" shall mean the sum of the following amounts, and such amounts only, actually paid by the User to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied:

(i) Amounts equal to payments actually paid by the User to independent third party contractors for work actually performed and labor and materials actually furnished in connection with the construction of the Construction Work, plus

(ii) Amounts actually paid by the User in connection with the Construction Work for engineering, architectural, professional, consulting services and supervision of construction (as defined below) , provided, however, payments under this subitem (ii) shall not exceed fifteen percent (15%) of the amounts paid under subitem (i) above.

(b) The Port Authority shall reimburse the User for the Cost of the Construction Work as follows: on the tenth (10th) day of each calendar month following the commencement of the Construction Work, the User shall, but not more often than once a month, deliver to the Port Authority a certificate signed by a responsible fiscal officer of the User, which certificate shall certify the sum of the (i) amounts equal to payments actually paid by the User to independent third party contractors for work actually performed and labor and materials actually furnished in connection with the construction of the Construction Work and (ii) amounts actually paid by the User in connection with the Construction Work for engineering, architectural, professional, consulting services and supervision of construction, which amounts under items (i) and (ii) of this paragraph (b) shall he determined and limited as provided in item (4) of subparagraph (a) above (it being understood that payments under this item [ii] shall not exceed fifteen percent [15%] of the amounts paid under item [i] above and shall only apply to payments not included in a prior certificate). Any reimbursement by the Port Authority which may exceed the limitations set forth in subitems (a) (4) (i) and (ii) above shall be promptly refunded to the Port Authority upon demand. Each such certificate shall: first, set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the payments made to other specified persons separately listed for each of the User's contractors and by trade breakdown for the Construction Work covered by each such certificate which have not previously been reported in certificates delivered to the Port Authority; second, have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other persons; and third, set forth, in such detail as shall be required by the Port Authority, the amounts of the costs incurred by the User which have not previously been reported in certificates delivered to the Port Authority; and fourth, certify that the amounts, payments and costs therein set forth constitute portions of the Cost of the Construction Work. Each such certificate shall also set forth the total cumulative payments made by the User for the entire Construction Work and for each phase of the construction broken down by trade as reported in certificates submitted to the Port Authority from the commencement of the Construction Work to the date of the certificate, and each such certificate shall also contain a certification by the User that each portion of the Construction Work covered by said certificate has been performed strictly in accordance with the terms of the Agreement. The Port Authority shall pay to the User the amounts paid by the User during the period covered by such certificate, as certified in such

certificate, but only to the extent that such amounts or costs or any portion thereof have not theretofore been included in a Construction Advance, provided, however, in the event the Agreement is not in full force and effect 'or if the User shall be under a notice of termination of the Agreement or in default under any term or provision thereof, the Port Authority shall have the right, in its discretion, to withhold the payment of the Construction Advance to the User, provided, further, that no payment or withholding of a Construction Advance shall waive or be deemed to have waived any rights of the Port Authority with respect to the termination of the Agreement or to a default by the User under any term or provision thereof or to the withholding or payment of future Construction Advances. The Port Authority shall have the right to make payments directly to contractors upon the submission of appropriate invoices. In the event the Port Authority elects to make any direct payment to a contractor of the User, each such direct payment shall be deemed to have been made to the User and to the extent of such payment by the Port Authority the Port Authority shall be released of such obligation to the User, and the Port Authority shall send to the User at the time of making such direct payment a notice thereof setting forth the name of the contractor to whom payment was made and the amount of such the payment. It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of said certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit at such time. The certificate shall also contain such further information and documentation with respect to the Cost of the Construction Work as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority. The User shall mark as "Final" its final certificate covering the Construction Work. The said Final Certificate shall be sworn to before a Notary Public and certified by a responsible fiscal officer of the User. After submitting the said Final Certificate the User shall submit no further certificate hereunder.

(c) The entire obligation of the Port Authority under paragraph (b) hereof to make payments to the User for the Cost of the Construction Work shall be limited in amount to a total of Six Million Five Hundred Thousand Dollars and No Cents ($6,500,000.00) for each of Project No. 1 and Project No. 2, provided that such obligation shall be further limited in time to Construction Work covered by certificates as set forth in said paragraph (b) duly submitted to the Port Authority on or prior to the respective Final Date for each of the two portions of the Construction Work.

(d) The User shall promptly submit to the Port Authority further information, including but not limited to, its estimate of the amounts and times of the various payments it will be making and costs it will be incurring in connection with the Cost of the Construction Work as the Port Authority may from time to time and at any time request.

(e) The Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of the User relating to the Cost of the Construction Work, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. The User agrees to keep such books, records and other data within the Port of New York District,

but the User shall not be required to maintain any of such books, records and other data for more than five (5) years after the User has delivered the certificates marked "Final" called for under paragraph (h) above.

4. (a) It is hereby understood and agreed by the parties that the following terms shall be applied in the same manner to the construction of Project No. 1 and Project No. 2 and, as used in both cases in this Supplemental Agreement, shall have the respective meanings given below:

(1) "Monthly Additional Fee Commencement Date" shall mean the first day of the month following the month during which the Completion Date occurs.

(2) "Final Cost of the Construction Work" shall mean the amount set forth in the Final certificates submitted by the User to the Port Authority under paragraph (b) of Paragraph 3 hereof.

(3) "Monthly Additional Fee Factor" shall mean the factor or factors derived in accordance herewith from time to time by the application of the following formula:

$$\frac{i}{1 - \frac{1}{i\ (1+i)^t}} = \text{Monthly Additional Fee Factor}$$

Where i equals the sum of (i) the annual interest rate expressed in decimal form of the "25-Bond Revenue Index" appearing in the issue of "The Bond Buyer" published on the Friday occurring immediately after the Completion Date plus (ii) three Hundred (300) basis points, divided by twelve.

Where t (a power) equals the number of calendar months or parts thereof occurring during the Monthly Additional Fee Period.

(4) (i) The term "Accrued Amount" shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying (A) the then-established Port Authority cost of capital by (B) all amounts constituting portions of the Construction Advance Amount (including any previously calculated Accrued Amounts) paid up to and including the last day of the previous month, for each month during the period commencing on the first Construction Advance Date and ending on the day immediately preceding the Monthly Additional Fee Commencement Date, the parties hereto acknowledging that the Final Cost of the Construction Work shall not be determined until after

the sublission of the Final certificate, upon which determination all Accrued Amounts shall be recalculated for purposes of paying the Monthly Additional Fee, as hereinafter defined.

(ii) As a part of the payment of each Accrued Amount due as provided in subitem (i) hereof and in addition to the foregoing, the User shall pay to the Port Authority an amount equal to the product obtained by multiplying (A) the then-established Port Authority cost of capital by (B) the amount of the Construction Advance Amount made on other than the last day of such month, and (C) the number of days in the period from the date such portion of the Construction Advance Amount is made to and including the last day of the calendar month in which such portion of the Construction Advance Amount is made, for each month during the period commencing on the first Construction Advance Date and ending on the day immediately preceding the Monthly Additional Fee Commencement Date, the parties hereto acknowledging that the Final Cost of the Construction Work shall not be determined until after the submission of the Final certificate, upon which determination all Accrued Amounts, if any, shall be recalculated for purposes of paying the Monthly Additional Fee.

(5) The term the "Reimbursement Amount" shall mean the sum of all Construction Advances and all Accrued Amounts determined for the day immediately preceding the Monthly Additional Fee Commencement Date.

(6) The "Monthly Additional Fee Period" shall mean the period commencing on the Monthly Additional Fee Commencement Date and ending on the expiration date of this Agreement.

(b) In addition to all other fees and charges payable under the Agreement, the User shall pay to the Part Authority a Monthly Additional Fee as follows:

(1) Commencing on the Monthly Additional Fee Commencement Date, the User shall pay to the Port Authority a Monthly Additional Fee which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Monthly Additional Fee Period equal to the product obtained by multiplying the portion of the Reimbursement Amount by the Monthly Additional Fee Factor.

(2) In the event that a Port Authority audit shall disclose that the User has expended in the Cost of the Construction Work amounts as set forth in subitems (i) and (ii) of item (4) of Paragraph 2 hereof which total less than the total of all Construction Advances made to the User hereunder up to the time of such audit then, upon demand of the Port Authority, the User shall immediately pay to the Port Authority an amount equal to the difference between the amounts expended by the User as disclosed by the Port Authority audit and the aforesaid amount of the total of all Construction Advances made to the User and effective from and after such date of payment the Construction Advance Amount shall be reduced by the amount of such payment and the Monthly Additional Fee payable by the User adjusted appropriately hereunder.

(3) The User shall have the right to prepay in whole or in part the unpaid balance of the Reimbursement Amount.

(4) The Reimbursement Amount shall not be subject to abatement or suspension or reduction for any reason whatsoever.

5. In the event that the Agreement is terminated or canceled by the User, the User to notify the Port Authority in such event promptly upon the occurrence thereof, or if the Agreement is terminated for cause by the Port Authority, then in such event, the User shall pay to the Port Authority the entire unpaid balance remaining due of the Reimbursement Amount.

6. Notwithstanding any other fee obligations of the User hereunder, the User hereby agrees, as a separate and independent covenant, that it shall pay to the Port Authority the Reimbursement Amount, as and in the manner set forth above. Said obligation of the User is of the essence of this Supplemental Agreement and shall survive any termination, expiration or cancellation of the Agreement.

7. The User further understands and agrees that, in the event the Agreement is terminated, the User's obligation to pay the amounts due the Port Authority under Paragraph 4 hereof shall survive such termination of the Agreement and shall remain in full force and effect until such amounts are paid. The User hereby specifically acknowledges that neither the survival of the obligation with respect to any such amounts nor any other provision of the Agreement shall grant or shall be deemed to grant any rights whatsoever to the User to have the term of the Agreement extended for any period beyond the end of the term as provided in Paragraph 1 of the Agreement, as herein amended, or affect in any way the Port Authority's right to terminate the Agreement.

8. Except as otherwise provided herein, during the remainder of the term of the Agreement all the terms, provisions, covenants and conditions of the Agreement shall be and continue in full force and effect.

9. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the User with any liability, or held liable to it under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach thereof.

10. The User represents and warrants that no broker has been concerned in the gegotiation of this Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The User shall indemnify and save harmless the Port Authority for and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

11. This Supplemental Agreement and the Agreement which it amends constitute the entire agreement between the Port Authority and the User on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the User.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ATTEST:

Karen J. Eastman
Acting Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: Francis A. [illegible]

Title: Asst. Director - Aviation

(Seal)

ATTEST:

Joan L. VanRichard
Secretary

JET AVIATION TETERBORO, L.P

By: Jet Aviation of America, Inc.,
a Maryland corporation, The General Partner

By: Norman P. Kelley

Title: President

(Corporate Seal)

APPROVED FOR TRANSMITTAL	
FORM	TERMS

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

On this 11 day of October, 2001, before me, the subscriber, a notary public of New York, personally appeared Francis DiMola the Assistant Director of Aviation of **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Carole Laura
(notarial seal and stamp)
My Commission expire 8/31/04

STATE OF NEW JERSEY)
)ss.:
COUNTY OF BERGEN)

On this 1 day of OCT, 2001, before me, the subscriber, a NOTARY PUBLIC OF NEW JERSEY, personally appeared TERRANCE P. KELLEY, who I am satisfied is the President of Jet Aviation of America, Inc., the General Partner of **JET AVIATION TETERBORO, L.P.,** the partnership described in and which executed the foregoing instrument, and said General Partner acknowledged that he executed the foregoing instrument for and on behalf of said partnership.

Amelia Tallis
(notarial seal and stamp)

AMELIA TALLIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 9, 2002

THIS SUPPLEMENT SHALL NOT BE BINDING UPON
THE PORT AUTHORITY UNTIL DULY EXECUTED BY
AN EXECUTIVE OFFICER THEREOF AND DELIVERED
TO THE USER BY AN AUTHORIZED REPRESENTATIVE
OF THE PORT AUTHORITY

AVIATION DEPT.
FILE COPY

Teterboro Airport
Agreement TA-301
Supplement No. 2

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of January 1, 2002 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and JET AVIATION TETERBORO, L.P., a New Jersey limited partnership (hereinafter called the "User"),

WITNESSETH, THAT:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter called "the Port Authority") is the owner of Teterboro Airport located in the Boroughs of Teterboro, Moonachie and Hasbrouck Heights and in the Township of Lyndhurst, County of Bergen in the State of New Jersey; and

WHEREAS, a Use and Occupancy Agreement, bearing file No. TA-301 and made effective as of December 1, 2001, was entered into between the Port Authority and the User for the use and occupancy of certain Space at Teterboro Airport (which Use and Occupancy Agreement is hereinafter referred to as the "Agreement"); and

WHEREAS, the User desires to amend the Agreement in certain respects as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual agreements and respective promises herein contained and made by the parties hereto, the parties hereby agree, effective as of January 1, 2002 unless otherwise stated, as follows:

1. The last two (2) lines of subparagraph (a) (3) of Section 8 of the Agreement shall be deemed amended to read as follows:

"monthly payments for said building only shall be abated during the period from November 12, 2001 to and including November 11, 2021."

2. The first five (5) lines of subparagraph (a) (8) of Section 8 of the Agreement shall be deemed amended to read as follows:

"(8) From and after January 1, 2002, the date upon which Hangar 120 becomes a part of the Space hereunder – at the annual rate of Two Hundred Eighty-eight Thousand Seven Hundred Thirty-five Dollars and No Cents ($288,735.00), payable in advance on January 1, 2002 and on the first day of each and".

3. Except as otherwise provided herein, during the remainder of the term of the Agreement all the terms, provisions, covenants and conditions of the Agreement shall be and continue in full force and effect.

4. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the User with any liability, or held liable to it under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution or because of any breach thereof.

5. The User represents and warrants that no broker has been concerned in the negotiation of this Supplemental Agreement and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The User shall indemnify and save harmless the Port Authority for and from any and all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

6. This Supplemental Agreement and the Agreement which it amends constitute the entire agreement between the Port Authority and the User on the subject matter,

and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the User.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ATTEST:

ACTING SECRETARY
Secretary

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

By: _____

Title: FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

(Seal)

ATTEST:

_____
Secretary

JET AVIATION TETERBORO, L.P

By: Jet Aviation of America, Inc.,
a Maryland corporation, The General Partner

By: _____

Title: President

(Corporate Seal)

AMELIA TALLIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 9, 2007

APPROVED:
FORM | TERMS

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

On this 25th day of FEBRUARY, 2002, before me, the subscriber, a notary public of New York, personally appeared FRANCIS A. DiMOLA the ASSISTANT DIRECTOR, AVIATION DEPARTMENT of THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Peggy M. Spinelli
(Notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003

STATE OF NJ)
)ss.:
COUNTY OF BERGEN)

On this 22 day of JAN, 2002, before me, the subscriber, a NOTARY PUBLIC OF NEW JERSEY, personally appeared TERRANCE P. KELLEY, who I am satisfied is the President of Jet Aviation of America, Inc., the General Partner of **JET AVIATION TETERBORO, L.P.**, the partnership described in and which executed the foregoing instrument, and said General Partner acknowledged that he executed the foregoing instrument for and on behalf of said partnership.

AMELIA TALLIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 9, 2007

Amelia Tallis
(Notarial seal and stamp)

AVIATION DEPT.
FILE COPY

USE AND OCCUPANCY AGREEMENT

TA-301

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AND

JET AVIATION TETERBORO, L.P .

TETERBORO AIRPORT

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Teterboro Airport
Agreement TA-301

USE AND OCCUPANCY AGREEMENT

THIS AGREEMENT, made as of December 1, 2000 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority" or the "Airport Operator"), and JET AVIATION TETERBORO, L.P. (a wholly owned subsidiary of Jet Aviation of America, Inc. and hereinafter called the "User"), a New Jersey limited partnership;

WITNESSETH, THAT:

WHEREAS, the Port Authority is the owner of Teterboro Airport (hereinafter called the "Airport") located in the Boroughs of Teterboro, Moonachie and Hasbrouck Heights and in the Township of Lyndhurst, County of Bergen in the State of New Jersey; and

WHEREAS, Johnson Controls World Services Inc. (hereinafter called "Johnson Controls") was the operator of the Airport and had the right to operate and use the Airport as successor - assignee to an agreement between Pan American World Airways, Inc. ("Pan American") and the Port Authority dated September 19, 1967 (hereinafter, as the same has been extended, called the "Basic Agreement"), which Basic Agreement the parties thereto intend to terminate on or about December 1, 2000 with the Port Authority entering into an operations services and maintenance contract with another party to operate and maintain the Airport; and

WHEREAS, pursuant to and in accordance with the terms of the Basic Agreement, Johnson Controls and the User and its predecessors in interest, entered into the following agreements covering the use and occupancy of certain spaces at the Airport (hereinafter collectively called the "Use and Occupancy Agreements"):

TA-006 dated December 13, 1971 Hangar 114;

TA-090 dated September 1, 1974 Hangar 113;

TA-108 dated October 18, 1979 Hangar 111;

TA-178 dated September 1, 1983 Hangar 108/109;

TA-195 dated November 1, 1985 Infield Apron;

TA-244 dated December 1, 1992 Hangar 119;

TA-249 dated January 1, 1993 Hangar 118; and

WHEREAS, the Port Authority, Johnson Controls and the User entered into Consent Agreements of various dates (hereinafter collectively called the "Use and Occupancy Consent Agreements") consenting to each of the Use and Occupancy Agreements, wherein the Port Authority gave its consent to the Use and Occupancy Agreements; and

WHEREAS, in August of 1986, representatives of the User through its predecessor in interest commenced a construction project (hereinafter called the "Project") on property designated as the "South Development Area" at the Airport; and

WHEREAS, during the course of the Project, the Airport Operator, through its predecessor in interest, was ordered by the United States Army Corps of Engineers (hereinafter called "COE") and the New Jersey Department of Environmental Protection (hereinafter called "DEP") to cease and desist from further filling and to restore the South Development Area to its original condition. Subsequently, a letter of understanding was entered into with the COE which in lieu of restoration accepted an "after the fact" permit application; prior approvals of the ongoing work were required by the COE and the DEP and, as a result of receiving notification of non-compliance, the Project was halted, pending receipt of the necessary governmental approvals; and

WHEREAS, on December 27, 1994 Johnson Controls and the User entered into an agreement (hereinafter referred to as the "1994 Agreement") whereby the User transferred to Johnson Controls and Johnson Controls assumed all of the User's rights, title and interest in the Project. In connection therewith, the User agreed that, in the event Johnson Controls proceeded with the construction of a hangar complex in the South Development Area, the User would have certain obligations to enter into a use and occupancy agreement with Johnson Controls for the use of the hangars; and

WHEREAS, the Port Authority and the User desire to replace the Use and Occupancy Agreements with a new, consolidated Use and Occupancy Agreement bearing Port Authority agreement number TA-301 (hereinafter called the "Agreement") as hereinafter set forth and to settle various rights and obligations issues raised by the 1994 Agreement; and

WHEREAS, the User desires to use and occupy the Space as defined in the respective Use and Occupancy Agreements as well as increase its use of space at the Airport as hereinafter described; and

WHEREAS, the User desires to construct and the Port Authority desires to permit the User to construct a hangar and

office facility at the Space provided for in the Agreement and in consideration of said construction extend the term of the Agreement;

NOW, THEREFORE, in consideration of the mutual agreements and respective promises herein contained and made by the parties hereto, the parties hereby agree, effective as of December 1, 2000 (the "Effective Date" of this Agreement) unless otherwise stated, as follows:

Section 1. Term

The term of this Agreement shall commence on December 1, 2000 and, unless sooner terminated in accordance with the terms of this Agreement, shall terminate on the day before the later of (a) the twentieth (20th) year anniversary of the Completion Date, as defined in subparagraph (h)(15) of Section 6 of this Agreement, or (b) December 31, 2022.

Section 2. Termination of Prior Agreements

It is hereby agreed by and between the parties that the Use and Occupancy Agreements and the Use and Occupancy Consent Agreements shall each and all be terminated effective as of November 30, 2000 and shall be of no further force or effect from and after the Effective Date hereof, provided, however, that any and all obligations that the User and the Port Authority had under any of said Agreements that survive pursuant to the terms thereof shall survive such termination of said Agreements.

Section 3. Release of Claims by the User

The User, upon the execution of this Agreement, forever releases, acquits and discharges the Port Authority, its Commissioners, its subsidiaries, agents, servants, officers, employees, successors, assigns and affiliates (all persons being referred to herein collectively as "Related Persons") of and from any causes of action, claims, demands and remedies of any kind and nature that it has or may in the future have against Related Persons, and in any manner on account of, arising out of or related to the Project or any other project, development or construction in the South Development Area.

Section 4. Space

On and after the Effective Date, the Space under the Agreement shall be the following areas set forth on Exhibit A, attached hereto and made a part hereof:

(1) the Hangar 108/109 land area so designated and shown

in blue stipple on Exhibit A;

(2) the Hangar 111/119 land area as so designated and shown in blue diagonal hatching on Exhibit A;

(3) the West Parking land area as so designated and shown in blue stipple on Exhibit A;

(4) the Current Infield land area as so designated and shown in blue diagonal hatching on Exhibit A;

(5) the Infield Extension land area as so designated and shown in gold diagonal hatching on Exhibit A;

(6) the New Infield land area as so designated and shown in gold diagonal hatching on Exhibit A; and

(7) the South Parking land area as so designated and shown in blue diagonal hatching on Exhibit A;

together with all Building Areas within the aforesaid land areas as shown thereon on Exhibit A and all other buildings, structures, improvements, additions and permanent installations constructed and installed or to be constructed and installed therein or thereon or thereunder during the term of this Agreement (hereinafter collectively referred to as the "Space"). Within forty-five (45) days of the execution of this Agreement by the Port Authority and delivery thereof to the User, the Port Authority shall proceed with the termination of the current agreement between the Port Authority and PNA Aviation Corporation, bearing file number TA-056 and made effective as of October 23, 1973, covering the use and occupancy of Hangar 120 and the areas covered by said agreement, as shown in blue diagonal and dashed hatching and designated the Hangar 120 Area and the S.E. (Hgr 120) Parking land areas, respectively, on Exhibit A, together with all Building Areas as shown thereon on Exhibit A and all other buildings, structures, improvements, additions and permanent installations constructed and installed or to be constructed and installed therein or thereon or thereunder during the term of this Agreement shall be and become a part of the Space hereunder effective upon the date set forth in a notice to be sent by the Port Authority to the User giving the User ten (10) days' notice that Agreement TA-056 is in the process of being or has been terminated.

Section 5. Use and Occupancy

(a) The User shall use and occupy the Space as set forth on Exhibit A for the following purposes only and for no other purpose whatsoever:

(1) For the storage, maintenance, servicing and repair of aircraft, aircraft assemblies, aircraft accessories and aircraft radio and electronic equipment and any component parts thereof;

(2) For the sale of aircraft assemblies, accessories, aircraft radio and electronic equipment and any component parts thereof;

(3) For the leasing and chartering of general aviation aircraft;

(4) For the parking of automobiles and other vehicles operated by officers, employees, invitees and business visitors of the User; it being understood that the parking of vehicles on areas of the Space shall be subject to the prior and continuing approval of the Airport Operator;

(5) For the parking of aircraft;

(6) For business and operations offices and terminals in connection with the purposes authorized hereunder;

(7) For the sale of aviation fuel and aviation lubricants and for delivery of such fuel and lubricants to and into aircraft, all in accordance with provisions of other agreements entered into or to be entered into between the Port Authority and the User specifically regulating such sales and deliveries and providing for the payment of fees therefor; and

(8) for the sale of aircraft.

(b) Notwithstanding the right granted to the User to conduct pilot training hereunder, the Port Authority hereby reserves the right to restrict or terminate touch-and-go flight operations and to restrict the time primary flight training operations may be conducted at the Airport when, in its sole judgment, such action is deemed necessary for Airport safety.

(c) All flight operations conducted at the Airport by the User shall be subject to the Schedule of Charges pertaining thereto in addition to all other fees payable by the User hereunder.

(d) The uses granted the User in subparagraph (a) (1) above shall not include the right to sell aircraft and utilize the Space for activities associated with the sale of aircraft.

(e) The User shall use the portion of the Space as shown in green cross hatching on Exhibit A (hereinafter called the "Public Aircraft Parking Apron") for the following purposes only and for no other purpose whatsoever:

(1) To administer, on behalf of the Airport Operator, the Public Aircraft Parking Apron, as defined above;

(2) For the parking of aircraft of the User, its customers and other aircraft seeking parking space if it is available; and

(3) For the fueling of aircraft, transient servicing thereof, and the enplaning and deplaning of passengers, crews and their baggage.

(4) The User shall charge parking fees for aircraft parked on the Space in accordance with the schedule of fees which shall be approved from time to time in writing by the Port Authority.

Section 6. Construction by the User

(a) (1) The parties hereby agree that within five (5) years of the Effective Date of this Agreement the User shall, at its sole expense, install all necessary aircraft ramp facilities on the portions of the Space identified on Exhibit A as the Infield Extension and the New Infield areas and demolish the facility currently located on that portion of the Space identified on Exhibit A as Building 112 and design, construct and install the following:

(i) a 30,000 square foot or more terminal and office complex within the Space (hereinafter called the "New Facility");

(ii) all appropriate lines, mains, cables, manholes, wires, conduits and other facilities required in connection with or relating to the mechanical, utility, electrical, storm sewer, sanitary sewer, telephone, fire alarm, fire protection, gas and other systems needed for the New Facility, including all necessary relocations and upgrades with sufficient capacity for the New Facility;

(iii) all necessary roadways, ramps and pedestrian circulation areas, together with all associated and related areas and facilities;

(iv) all necessary aircraft ramp and apron areas, together with all associated and related areas and facilities;

(v) all grading and paving of ground areas and appropriate landscaping, together with all associated and related areas; and

(vi) all of the foregoing demolition, design, construction and installation work shall be performed by the User on the Space and off the Space where required and, where performed on the Space, shall be and become a part of the Space under this Agreement and is sometimes collectively referred to herein as the "Construction Work."

(2) The User shall, in accordance with subparagraphs (b) through (j) hereof, submit plans and specifications for and the Construction Work with a minimum investment of Four Million Dollars ($4,000,000.00). Plans and specifications shall be submitted no later than six (6) months after the Effective Date. Upon approval by the Port Authority of said plans and specifications and upon receipt of all necessary permits and approvals (hereinafter collectively called the "Permits") for the Construction Work from all appropriate Governmental Authorities, the User agrees to promptly commence the Construction Work as provided for in this Section 6 and to complete construction within one (1) year following the later of (i) Port Authority approval or (ii) receipt of the Permits. In the event the User, through no fault of its own, fails to receive Port Authority approval or fails to receive the Permits within six (6) months of the submission of said plans and specifications, the Completion Date, as hereinafter defined, will be extended by one month for each month in excess of six (6) that elapses from the time of the submission of said plans and specifications to the later of the receipt of Port Authority approval or the receipt of the Permits. The User shall not be held in default under this subparagraph in the event construction cannot be completed within the said time limit due to acts of God. Should the User not complete the Construction Work within the time specified, as the same may be extended as herein provided, the monthly land rent for the Space shall be increased by fifty percent (50%) for each day or part thereof that said construction is delayed until such construction is completed. The Port Authority agrees to assist the User in obtaining the Permits.

(b) The User shall not use or permit the use of the New Facility for the purpose set forth in this Agreement until a certificate to do so is issued by the Port Authority. The date of delivery of the certificate by the Port Authority shall constitute the Completion Date for the purposes of this Agreement.

(c) Prior to the commencement of Construction Work, or any part thereof, the User shall submit to the Port Authority a construction application and complete plans and specifications for such proposed construction.

(d) The plans and specifications shall be submitted by the User to the Port Authority for approval and the Port Authority may refuse to grant approval if in its opinion, the proposed facilities (i) as laid out and indicated by the User on such plans or (ii) if constructed according to such plans and specifications:

(1) will be structurally unsound or unsafe or hazardous for human occupation or improper for the use and occupancy for which it is designed;

(2) will not comply with all the requirements of this Agreement;

(3) will not comply with the Port Authority's standards for harmony of external architecture of similar or future approved construction at the Airport;

(4) will not comply with the standards set by the Port Authority with respect to utility or rentability;

(5) will be so located that there will not be sufficient clearance in respect to existing or planned projecting aprons, runways, or taxiways adjacent thereto;

(6) are designed for use for purposes other than those for which the User is permitted to use the Space under this Agreement;

(7) will be in violation of any local code, OSHA-70, or any other law, ordnance or regulation of any governmental authority having jurisdiction over the Airport if the Port Authority were a private corporation;

(8) will set forth ground elevations or heights other than those that are consistent with the proper operation and use of the Airport;

(9) will not provide adequate circulation arteries for vehicular and pediatrician traffic and fire-fighting equipment; or

(10) will not be at locations or not be oriented in accordance with the approved comprehensive plans for the Airport.

(e) Upon approval of such plans and specifications by the Port Authority and upon receipt of the Permits, the User shall proceed expeditiously and with all reasonable diligence to perform, at its own expense and cost, the Construction Work in accordance

with such approved plans and specifications.

(f) The User or the User's construction contractor shall furnish the Port Authority performance and payment bonds in a sum equal to the estimated cost of construction, in a form and with sureties satisfactory to the Port Authority, for the faithful performance by the User of its construction obligations contained in this Agreement and for the guarantee of payment of all claims of tradespersons, workers and subcontractors. The User shall deliver such bonds to the Port Authority prior to commencement of construction or within thirty (30) days after the award by the User of construction contract or contracts, whichever occurs first.

(g) Upon completion of any work to be performed by the User hereunder, title thereto shall immediately and without execution of any further instrument vest in the Port Authority and such work shall thereupon become and thereafter be a part of the Airport.

(h) All the Construction Work shall be done in accordance with the following terms and conditions:

(1) The User hereby assumes the risk of loss or damage to all of the Construction Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority arising out of or in connection with the performance of the Construction Work. In the event of such loss or damage, the User shall forthwith repair, replace and make good the Construction Work and the property of the Port Authority without cost or expense to the Port Authority. The User shall itself and shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Construction Work and for all expenses, (whether or not such claims, demands, causes of action, liabilities, etc., are made or asserted before or after termination or expiration of this Agreement) incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage (to include reasonable attorney's and other professional fees) direct or consequential, whether they arise out of or from the acts or omissions of the User, of any contractors of the User, of the Port Authority or of third persons, or from acts of God or of the public enemy, or otherwise excepting only claims and demands which result solely from willful acts done by the Port Authority, its Commissioners, officers, agents and employees subsequent to the commencement of the Construction Work.

(2) Prior to engaging or retaining an architect or architects for the Construction Work, the name or names of said

architect or architects licensed in the State of New Jersey shall be submitted to the Port Authority for its approval. The Port Authority shall have the right (to be exercised within thirty [30] days of such submission) to disapprove any architect who may be unacceptable to it. In such event, the Port Authority shall advise the User in writing of the Port Authority's reason for such disapproval. All Construction Work shall be done in accordance with plans and specifications to be submitted to and approved by the Port Authority prior to the commencement of the Construction Work, and until such approval has been obtained the User shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications the User shall proceed diligently at its sole cost and expense to perform the Construction Work. All the Construction Work, including workmanship and materials, shall be of first class quality. The User shall re-do, replace or reconstruct at its own cost and expense, any of the Construction Work not done in accordance with the approved plans and specifications, the provisions of this Section or any further requirements of the Port Authority made in accordance with this Agreement, so long as the Port Authority has advised the User that the work was not done in accordance with the plans and specifications within sixty (60) days of the User's certification to the Port Authority of the substantial completion of such work.

(3) Prior to entering into a contract for any part of the Construction Work, the User shall submit to the Port Authority for its approval the names of the contractors to whom the User proposes to award said contracts. The Port Authority shall have the right (to be exercised within thirty [30] days of such submission) to disapprove any contractor who may be unacceptable to it. In such event, the Port Authority shall advise the User in writing of the Port Authority's reasons for such disapproval. The User shall include in all such contracts such provisions and conditions as may be required by the Port Authority, including but not limited to, the following: "If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the User to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third person which arises out of or in connection with the performance of the Contract or (ii) any claim (just or unjust) which arises out of or in connection with the Contract is made against the User or (iii) any subcontractor under the Contract fails to pay any claims lawfully made against him by any materialman, subcontractor, workman or other third persons which arise out of or in connection with the Contract or if in the User's opinion any of the aforesaid contingencies is likely to arise, then the User shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payments have already been certified as due) such sums as the User may deem ample to protect it against delay or loss or to assume the payment of just claims of third persons, and to apply such sums in such manner as the User may deem

proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by the User to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the User does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the User to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by the User shall create any obligation of any kind to such materialmen, subcontractors, workmen or other third persons. Until actual payment is made to the Contractor, his right to any amount to be paid under the Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the User under this provision."

(4) The User shall furnish or require its architect to furnish a resident engineer during the construction period as the Port Authority may require. The User shall require certification by a licensed engineer of all pile driving data and of all controlled concrete work and such other certifications as may be requested by the Port Authority from time to time.

(5) The User agrees to be solely responsible for any plans and specifications used by it and for any loss or damages resulting from the use thereof, notwithstanding the same having been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirements for approval by the Port Authority of the contracts to be entered into by the User or the incorporation therein of the Port Authority requirements or recommendations, and notwithstanding any rights the Port Authority may have reserved to itself hereunder, the Port Authority shall have no liabilities or obligations of any kind to any contractors engaged by the User or for any other matter in connection therewith and the User hereby releases and discharges the Port Authority, its Commissioners, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any of the Construction Work pursuant to the contracts between the User and its contractors (to include reasonable attorney's and other professional fees). Any warranties contained in any construction contract entered into by the User for the performance of the construction work hereunder shall be for the benefit of the Port Authority as well as the User.

(6) The Port Authority shall have the right, through its duly designated representatives, to inspect the Construction Work and the plans and specifications thereof, at any and all reasonable times during the progress thereof and from time to time, in its

discretion, to take samples and perform testing on any part of the Construction Work, but the taking of samples and testing shall be conducted so as to minimize interference with the Construction Work, if such minimization of impact can be accomplished without diminishing the effectiveness or accuracy of the samples and or tests.

(7) The User agrees that it shall deliver to the Port Authority "as-built" drawings (capable of being reproduced) of the Construction Work and shall during the term of this Agreement keep said drawings current showing thereon any changes or modifications which may be made. (No changes or modifications shall be made without the Port Authority's consent.)

(8) The User shall, if requested by the Port Authority, take all reasonable measures to prevent erosion of the soil and the blowing of sand and soil during the performance of the Construction Work, including but not limited to, the fencing of the Space or portion thereof and the covering of open areas with asphaltic emulsion or similar materials as the Port Authority may direct.

(9) The User shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, tradespersons and workers, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the Construction Work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the User to contest any claim of a contractor, subcontractor, tradespersons, workman or other person and no such claim shall be considered to be an obligation of the User within the meaning of this Section unless and until the same shall have been finally adjudicated. The User shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto. The User shall require its construction contractor to furnish a bond for the faithful performance of and also for the payment of all lawful claims of subcontractors, tradespersons and workers arising out of the performance of said construction contract.

(10) The User shall procure and maintain Commercial General Liability Insurance, including but not limited to premises-operations, completed operations, a Broad Form Property Damage Endorsement, worker's compensation, independent contractors' coverage, and coverage for explosion, collapse and underground property damage, with a contractual liability endorsement covering the obligations assumed by the User herein, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles, which shall be in addition to all policies of insurance otherwise required under this Agreement or the User may provide

such insurance by requiring each contractor engaged by it for the Construction Work to procure and maintain such insurance including such contractual liability endorsement, said insurance not to contain any care, custody or control exclusions, any exclusions for explosions, collapses or damage to bodily injury to or sickness, disease or death of any employee of the User or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. Said insurance shall name the Port Authority as additional insured and be in not less than the following amounts:

(i) Commercial General Liability:
death, bodily injury and property damage liability: combined single limit per occurrence: $50,000,000.00

(ii) Commercial Automobile Liability:
death, bodily injury and property damage liability: combined single limit per accident: $10,000,000.00

The insurance required hereunder shall be maintained in effect during the performance of the Construction Work. A certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority at least fifteen (15) days prior to the commencement of any work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Port Authority. The aforesaid insurance shall be written by a company or companies licensed to conduct business in the State of New Jersey and approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the User shall promptly obtain a new and satisfactory policy in replacement, the Port Authority agreeing not to act unreasonably hereunder.

(11) The User shall prior to the commencement of the Construction Work, and at all times during the Construction Work, submit or cause to be submitted to the Port Authority all engineering studies with respect to the Construction Work and samples of construction materials as may be reasonably required at any time and from time to time by the Port Authority.

(12) The User shall procure and maintain or cause to

be procured and maintained Builder's Risk Completed Value Insurance covering the Construction Work during the performance thereof including material delivered to the construction site but not attached to the realty in an amount and form satisfactory to the Port Authority. Such insurance shall name the Port Authority, the User and its contractors and subcontractors as additional insured and such policy shall provide that the loss shall be adjusted with and payable to the User. Such proceeds shall be used by the User for the repair, replacement or rebuilding of the Construction Work and any excess shall be paid over to the Port Authority. The policies or certificates representing this insurance shall be delivered by the User to the Port Authority prior to the commencement of construction and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon and, also, a valid provision obligating the insurance company to furnish the Port Authority fifteen (15) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or change or modification of the insurance evidenced by said policy or certificate. The insurance shall be written by companies licensed to conduct business in the State of New Jersey, and approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably and if the Port Authority disapproves of any insurance company, it shall advise User in writing of the reasons for such disapproval. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the User shall promptly obtain a new and satisfactory policy in replacement, the Port Authority agreeing not to act unreasonably hereunder.

(13) Nothing contained herein shall grant or be deemed to grant to any contractor, architect, supplier, subcontractor, or any other person engaged by the User or any of its contractors in the performance of any part of the Construction Work, any right of action or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the Construction Work.

(14) Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other person engaged by the User or any of its contractors in the performance of any part of the Construction Work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Construction Work.

(15) When the Construction Work is substantially completed and is ready for use by the User, the User shall advise the

Port Authority to such effect and shall deliver to the Port Authority a certificate executed by an authorized officer of the User and the User's architect licensed in the State of New Jersey certifying that such Construction Work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. The User shall correct, modify, or redo any item that has not been completed in accordance with the approved plans ans specifications. Thereafter, such Construction Work will be inspected by the Port Authority and if the same has been completed as specified by the User, a certificate to such effect shall be delivered to the User, subject to the condition that all risks thereafter with respect to the Construction Work and installation of the same and any liability therefor for negligence or other reason shall be borne by the User. The User shall not use or permit the use of the Construction Work for the purposes set forth in this Agreement until such certificate is received from the Port Authority. The date of delivery of the certificate by the Port Authority shall constitute the Completion Date for the purposes of this Agreement.

(16) The Construction Work shall be conducted in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from or arising out of or resulting from the operations of the User under this Section. Accordingly, and in addition to all other obligations imposed on the User under this Agreement and without diminishing, limiting, modifying or affecting any of the same, the User shall be obligated to construct as part of the Construction Work hereunder such necessary or appropriate systems to accomplish the foregoing and all of the foregoing shall be covered under the plans and specifications of the User and shall be part of the Construction Work hereunder.

(17) Notwithstanding the provisions of the foregoing subparagraph and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time during the term of this Agreement to require the User, subsequent to the completion of the Construction Work, to design and construct at its sole cost and expense such further reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of subparagraph (16).

(i) The User hereby acknowledges that the Port Authority has constructed security fencing to secure and prevent inadvertent entry onto the aeronautical areas of the Airport. The User hereby agrees, during all phases of Construction Work and at all times during the term of this Agreement, to design and construct, at its sole cost and expense, such further fencing as may be necessary to

maintain said security fencing.

(j) All locations, the manner, type, size and method of construction under any of the provisions of subparagraph (16) and paragraph (i) hereof shall be determined by the Port Authority. The User shall submit for the Port Authority's approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. It is expressly agreed that the design and appearance of the construction required by subparagraph (16) and paragraph (i) hereof shall be consistent with the overall design and construction of the User's facilities. All other provisions of this Section with respect to the Construction Work shall apply and pertain with like effect to any work which the User is obligated to perform pursuant to this paragraph and upon completion of each portion of such work it shall be and become a part of the Construction Work.

Section 7. Other Construction by the User

Except as otherwise expressly provided herein, the User shall not erect any structures, make any improvements or do any Construction Work on the Space, or install any fixtures (other than fixtures, removable without material damage to the Space, any such damage to be immediately repaired by the User) without the prior written approval of the Port Authority through the medium of a construction or alteration application and in the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such approval, then upon reasonable notice to do so, the User shall remove the same or, at the option of the Port Authority, cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the User to comply with such notice, the Port Authority may effect the removal or change and the User shall pay the cost thereof to the Port Authority.

Section 8. Fees to the Port Authority

(a) The User shall pay Building fees to the Port Authority for the use and occupancy of the Space as follows:

(1) For Hangar 109 - at the annual rate of Six Hundred Forty-eight Thousand One Hundred Eighty-nine Dollars and Sixty Cents ($648,189.60), payable in advance on the first day of the month in equal installments of Fifty-four Thousand Fifteen Dollars and Eighty Cents ($54,015.80), which monthly payments shall be abated up to and including December 15, 2016 and shall be paid on December 16, 2016 and on the first day of each and every calendar month thereafter during the remainder of the term hereunder.

(2) For Hangar 111 - at the annual rate of Six Hundred

Ninety-three Thousand One Hundred Thirty-two Dollars and Thirty Cents ($693,132.30), payable in advance on the first day of the month in equal installments of Fifty-seven Thousand Seven Hundred Sixty-one Dollars and Two Cents ($57,761.02).

(3) For Building 112 - at the annual rate of Three Hundred Ninety-eight Thousand Two Hundred Dollars and No Cents ($398,200.00), payable in advance on the first day of the month in equal installments of Thirty-three Thousand Two Hundred Twenty-five Dollars and No Cents ($33,225.00), which monthly payments shall be abated up to and including the Completion Date.

(4) For Building 113 - at the annual rate of Four Hundred Eighty-six Thousand Two Hundred Fifteen Dollars and Forty Cents ($486,215.40), payable in advance on December 1, 2000 and on the first day of each and every calendar month thereafter during the term hereunder in equal installments of Forty Thousand Five Hundred Seventeen Dollars and Ninety-five Cents ($40,517.95).

(5) For Hangar 114 - at the annual rate of Three Hundred Eighty-nine Thousand Five Hundred Sixty-two Dollars and Thirty-six Cents ($389,562.36), payable in advance on December 1, 2000 and on the first day of each and every calendar month thereafter during the term hereunder in equal installments of Thirty-two Thousand Four Hundred Sixty-three Dollars and Fifty-three Cents ($32,463.53).

(6) For Hangar 118 - at the annual rate of Two Hundred Seventy Thousand Two Hundred Six Dollars and Twenty-eight Cents ($270,206.28), payable in advance on December 1, 2000 and on the first day of each and every calendar month thereafter during the term hereunder in equal installments of Twenty-two Thousand Five Hundred Fifty-seven Dollars and Nineteen Cents ($22,557.19).

(7) For Hangar 119 - at the annual rate of Two Hundred Sixty-nine Thousand Two Hundred Sixty-three Dollars and Sixty-eight Cents ($269,263.68), payable in advance on December 1, 2000 and on the first day of each and every calendar month thereafter during the term hereunder in equal installments of Twenty-two Thousand Four Hundred Thirty-eight Dollars and Sixty-four Cents ($22,438.64).

(8) If, as and when Hangar 120 becomes a part of the Space hereunder - at the annual rate of Two Hundred Eighty-eight Thousand Seven Hundred Thirty-five Dollars and No Cents ($288,735.68), payable in advance on the date Hangar 120 becomes part of the Space hereunder and on the first day of each and every calendar month thereafter during the remainder of the term hereunder in equal installments of Twenty-four Thousand Sixty-one Dollars and Twenty-five Cents ($24,061.25).

(b) The User shall pay Land fees to the Port Authority for the use and occupancy of the Space as follows:

(1) For the land areas associated with Hangars 111, 114, 118, 119, Building 112 and associated parking areas - at the annual rate of Four Hundred Sixty Thousand Eight Hundred Thirteen Dollars and Eighty Cents ($460,813.80), payable in advance on December 1, 2000 and on the first day of each and every calendar month thereafter during the term hereunder in equal installments of Thirty-eight Thousand Four Hundred One Dollars and Fifteen Cents ($38,401.15).

(2) For the land area associated with Hangar 109 - at the annual rate of Ninety-four Thousand Eight Hundred Ninety-two Dollars and Fifty-two Cents ($94,892.52), payable in advance on December 1, 2000 and on the first day of each and every calendar month thereafter up to and including December 15, 2016 in equal installments of Seven Thousand Nine Hundred Seven Dollars and Seventy-one Cents ($7,907.71), and thereafter at the annual rate of One Hundred Twenty-nine Thousand Five Hundred Seventy-three Dollars and Thirty-three Cents ($129,573.33), payable in advance on December 16, 2016 and on the first day of each and every calendar month thereafter during the remainder of the term hereunder in equal installments of Ten Thousand Seven Hundred Ninety-seven Dollars and Seventy-eight Cents ($10,797.78).

(3) For infield land area - at the annual rate of Forty-one Thousand Fifty-five Dollars and Twenty-four Cents ($41,055.24), payable in advance on December 1, 2000 and on the first day of each and every calendar month thereafter up to and including December 15, 2016 in equal installments of Three Thousand Four Hundred Twenty-one Dollars and Twenty-seven Cents ($3,412.27), and thereafter at the annual rate of One Hundred Fifteen Thousand Six Hundred Five Dollars and Eighteen Cents ($115,605.18), payable in advance on December 16, 2016 and on the first day of each and every calendar month thereafter during the remainder of the term hereunder in equal installments of Nine Thousand Six Hundred Thirty-three Dollars and Seventy-seven Cents ($9,633.77).

(4) For newly paved land area - at the annual rate of One Hundred Eighty-three Thousand Nine Hundred Ninety-five Dollars and Four Cents ($183,995.04), payable in advance on the Completion Date of such paving work as set forth in the Port Authority's certificate of the substantial completion of such work and on the first day of each and every calendar month thereafter up to and including the fifteenth (15^{th}) anniversary of said Completion Date in equal installments of Fifteen Thousand Three Hundred Thirty-two Dollars and Ninety-two Cents ($15,332.92), and thereafter at the annual rate of Two Hundred Twenty-seven Thousand Three Hundred Fifty-one Dollars and Forty-

eight Cents ($227,351.48), payable in advance on said fifteenth (15th) anniversary and on the first day of each and every calendar month thereafter during the remainder of the term hereunder in equal installments of Eighteen Thousand Nine Hundred Forty-five Dollars and Ninety-six Cents ($18,945.96).

(5) If, as and when Hangar 120 becomes a part of the Space hereunder - at the annual rate of Fifty Thousand Nine Hundred Eighty-six Dollars and Fifty Cents ($50,986.50), payable in advance on the date Hangar 120 becomes part of the Space hereunder and on the first day of each and every calendar month thereafter during the remainder of the term hereunder in equal installments of Four Thousand Two Hundred Forty-eight Dollars and Eighty-seven Cents ($4,248.87).

(c) Notwithstanding anything set forth herein to the contrary, the parties agree that the fees set forth herein are based upon a preliminary estimate of the square footage of the Space, and that within one hundred and eighty (180) days after complete execution of this Agreement, the Port Authority will perform or have performed a certified survey of the Space. The metes and bounds description and resulting square footage calculation shall be used to create a new Exhibit showing the Space and shall be set forth in a Supplement to this Agreement to be prepared by the Port Authority and sent to the User for execution. All fees set forth herein shall be recalculated based upon the square footage determined by the survey at the respective rates set forth in paragraph (i) hereof and the new fees shall also be set forth in the foregoing Supplement. In the event the aggregate fees as determined by the survey are greater than those set forth herein, the User shall pay such amount to the Port Authority upon receipt of an invoice setting forth such amount, together with a copy of the survey. In the event the aggregate fees as determined by the survey are less than those set forth herein, the Port Authority shall apply such amount to the fees next coming due.

(d) If any payment of fees is payable on a date other than the first day of a month, the Building and Land rental fees set forth in paragraphs (a) and (b) above shall be prorated on the basis of the number of days from the day such payment is due to the end of such month.

(e) The Port Authority reserves the right to establish new land and building Basic Fee Rates for each fee component effective January 1, 2010 and January 1, 2020. New land and building Basic Fee Rates, if any, will be determined considering real estate appraisals conducted in the year prior to the effective dates of such new Basic Fee Rates. If such new Basic Fee Rates are not established for one or both of these time periods, the Basic Fee Rates for the immediately prior period will continue to apply. If such appraisals are performed, the first newly established rates

shall be hereinafter referred to as "Basic Fee Rates One", and the second newly established rates shall be know as "Basic Fee Rates Two." It is hereby agreed that any appraiser selected to conduct an appraisal of the Airport shall be selected by the Port Authority. The Port Authority shall require the appraiser to identify separately, in such appraisal, the Basic Fee Rates with respect to each of the Building and Land fees.

(f) In addition to the foregoing, the rates of all the Building and Land fees set forth in paragraphs (a) and (b) hereof shall be subject to adjustment annually on a calendar year basis, using the Consumer Price Index for all Urban Consumers of the Bureau of Labor Statistics of the United States Department of Labor, all Items, Selected Larger Cities, for the New York - Northeastern New Jersey Area as the data source (herein referred to as the "CPI Index"). The "Standard Inflation Adjustment Factor" (hereinafter referred to as "SIAF") is defined as the quotient resulting from dividing the CPI for the month of December for the year prior to the year for which the rates are being determined by the CPI for the second year prior to the year for which the rates are being determined (for example, to determine the SIAF that will be necessary to calculate the rates for 2009, divide the CPI for the month of December 2008 by the CPI for the month of December 2007). However, if the quotient which results from the computation as described above is less than 1.00, the SIAF for the particular year will be 1.00. Furthermore, if the quotient which results from the computation as described above is greater than of 1.06, the SIAF for the particular year will be 1.06. Thus the rates for one year will not be less than those of the prior year, nor exceed the prior years rates by more than 6%.

(g) In the event that an appraisal is performed in accordance with paragraph (e) above, from and after January 1, 2010 the rates applicable for determining the Building and Land fees shall be the greater of either (i) the Basic Rental Rates One or (ii) the December 2009 rates multiplied by the SIAF. In the event that the one or both of the rates calculated in accordance with (ii) above are fifteen percent (15%) or higher than the Basic Rental Rates One, then the monthly Building and Land fees payable effective January 1, 2010 would be the greater of (a) the rates effective for January 2000 adjusted annually by 1/2 of the increase in the CPI or (b) the rate calculated under item (i) hereof.

(h) If new basic rates have been established in accordance with paragraph (e) above, effective January 1, 2011 and annually thereafter the rates used for determining the Building and Land fees the User shall pay to the Port Authority shall be determined by taking the rates for the prior year and multiplying them by the SIAF for the appropriate year. Under no circumstances shall any of the above rates for a particular year be less than the rates for the previous year as a result of appraisal or adjustment.

(i) In the event that the User shall at any time by the provisions of this Agreement become entitled to an abatement of fees, then said abatement shall be computed at the following daily Building or Land rates, as the same may be adjusted during the term of this Agreement, for each square foot of the Space the use of which is denied to the User:

(1) For the Building fee for Hangar 109 - at the daily rate of $13.2902 from and after December 16, 2016.

(2) For the Building fee for Building 111 - at the daily rate of $12.7790.

(3) For the Building fee for Building 112 - at the daily rate of $13.2902.

(4) For the Building fee for Building 113 - at the daily rate of $12.7790.

(5) For the Building fee for Hangar 114 - at the daily rate of $13.2902.

(6) For the Building fee for Hangar 118 - at the daily rate of $11.7567.

(7) For the Building fee for Hangar 119 - at the daily rate of $11.7567.

(8) For the Building fee for Hangar 120 - at the daily rate of $12.2678.

(9) For the Land fee for land associated with Building 112 and Hangars 111, 114, 118, 119, and 120 and their associated parking areas - at the daily rate of $1.0734.

(10) For the Land fee for land associated with Building 113 and its associated parking area - at the daily rate of $1.0734.

(11) For the Land fee for land associated with Hangar 109 - at the daily rate of $1.0734 from and after December 16, 2016.

(12) For the Land fee for infield area - at the daily rate of $0.3812 up to and including December 15, 2016 and $1.0734 from and after December 16, 2016.

(13) For the Land fee for newly paved area -

at the daily rate of $0.8687 up to and including the fifteenth (15th) anniversary of the Completion Date set forth in subparagraph (b)(4) hereof and the rate then in effect as a result of adjustments made to the base rate of $1.0734 from and after said (15th) anniversary.

(j) Nothing contained in the foregoing shall affect the survival obligations of the User as set forth in Section 31 hereof.

(k) In addition to all other fees set forth in this Section, the User shall pay to the Port Authority a gross receipts fee of Five Percent (5%) of the gross receipts (as hereinafter defined) of the User arising during each annual period in excess of $64,974,829.00 (hereinafter called the "annual exemption amount").

(1) The term gross receipts as used herein shall mean all monies derived by the User at the Space, as defined hereunder, provided, however, there shall be excluded from gross receipts for purposes of such fee:

(w) any taxes imposed by law which are separately stated by and paid by customer of User and directly remitted by the User to the taxing or tax collecting authority, and

(x) all monies paid or payable to the User for the sale of aviation fuel and lubricants, and

(y) all monies paid or payable to the User in connection with its sale of aircraft or its chartering operations at the Airport, and

(z) all monies paid or payable to the User in connection with pass-through expenses relating to management clients, limited, however, to amounts actually paid by the User for such expenses.

(2) During any annual period of the term of the Agreement if the fees pursuant to this Section are increased or decreased, the annual exemption amount defined in this paragraph (k) shall be increased or decreased, as the case may be, by an amount equal to twenty (20) times the amount by which the Basic Fee Rate was increased or decreased. If the change in such fee shall become effective other than at the end of an annual period under the

Agreement, the increase or decrease in the annual exemption amount shall be made pro rata.

(l) In addition to all other fees set forth in this Section the User shall pay to the Port Authority an amount equal to fifty percent (50%) of all fees charged by the User for aircraft parked on the Public Aircraft Parking Apron, it being understood that all such fees shall be excluded from gross receipts under paragraph (k) hereof.

(m) In addition to all other fees set forth in this Section the User shall pay to the Port Authority an annual amount equal to Fifteen Thousand Dollars and No Cents ($15,000.00) for the right to sell aircraft hereunder. Said annual amount shall be prorated based upon any portion of a year this Agreement is in effect and shall be payable on the Effective Date of this Agreement and upon the first day of January of each and every year thereafter.

Section 9. Time of Payment and Computation of Amounts

(a) The User shall pay to the Port Authority the monthly payments of the Building and Land fees specified in Section 8 hereof in advance on the first (1st) day of each and every month, without tender of an invoice by the Port Authority, until the termination of this Agreement, provided, however, if this Agreement is terminated on other than the last day of the month, the last payment shall be the then-effective monthly fee prorated in the same proportion as the number of days the Agreement was in effect in the month during which such termination takes place bears to the actual number of days in said month.

(b) For each annual period the User shall pay the percentage fees set forth in paragraphs (k) and (l) of Section 8 hereof as follows: on the twentieth (20th) day of the first (1st) month following the Effective Date and on the twentieth (20th) day of each and every month thereafter including the month following the end of the annual period, the User shall render to the Port Authority a statement certified by the User's principal financial officer showing its gross receipts for the preceding calendar month and its cumulative gross receipts from the date of commencement of the annual period for which the report is made, through the last day of the preceding calendar month; whenever any such statement shall show that the cumulative gross receipts for the annual period are in excess of the annual exemption amount, the User shall pay to the Port Authority at the time of rendering the statement an amount equal to Five Percent (5%) of such excess and shall, on the twentieth (20th) day of each month thereafter during the annual period and the month next succeeding that annual period, pay to the Port Authority an amount equal to Five Percent (5%) of the gross receipts of each subsequent month during the annual period. At any

time that the annual exemption amount is decreased by abatement so that there is an excess of gross receipts as to which such percentage fee has not been paid the same shall be payable to the Port Authority forthwith. At the time the User pays the foregoing fees it shall also pay the fee payable under paragraph (1) hereof.

(c) Upon any termination of the Agreement, even if stated to have the same effect as expiration, the User shall, within twenty (20) days of the effective date of such termination, make a payment of the gross receipts fees computed as follows: (1) the User shall within twenty (20) days after the effective date of termination render to the Port Authority a statement of gross receipts certified by the User's principal financial officer for the annual period in which the effective date of termination falls; and (2) the payment when due on account of all such gross receipts fees for the annual period in which the effective date of termination falls shall be the excess for such gross receipts fees computed as follows, over the total of such gross receipts fee payments previously made for such annual period: Five Percent (5%) of the gross receipts of the User for such annual period which are in excess of the annual exemption amount, said annual exemption amount being multiplied by a fraction, the numerator of which shall be the number of days from the commencement of the annual period to the effective date of termination, and the denominator of which shall be three hundred sixty-five (365). At the time the User pays the foregoing fees it shall also pay the fee payable under paragraph (1) hereof.

(d) Nothing contained in the foregoing shall affect the survival of the obligation of the User as set forth in the Sections of this Agreement covering the survival of the User's obligations.

(e) In connection with the User's administration, on behalf of the Port Authority, of the Public Aircraft Parking Apron the User shall:

(1) maintain, in accordance with accepted accounting practices during the effective period of this Agreement, records and books of account recording all transactions of the User in connection with the administration of the Public Aircraft Parking Apron; and

(2) permit during ordinary business hours the examination and audit by authorized representatives of the Port Authority of the records and books of account of the User as pertain to the activities conducted at the Public Aircraft Parking Apron; and

(3) furnish on or before the twentieth (20^{th}) day of each month following the Effective Date of the

Agreement a statement certified by the chief financial officer of the User of the parking fees charged to users of the Public Aircraft Parking Apron during the preceding month and shall remit concurrently therewith fifty percent (50%) of the amount shown on such statement.

Section 10. Care, Maintenance and Repair

(a) The User shall at its own expense at all times keep the Space and all the User's fixtures, equipment and personal property and any property of the Port Authority which are located in any parts of the Space which are open to or visible by the general public, in a clean and orderly condition and appearance.

(b) The User shall, at its own expense, repair, replace or rebuild all or any part of the Space which may be damaged or destroyed by the acts or omissions of the User or by those of its employees, customers, guests or invitees or of other persons doing business with the User.

(c) The User shall perform all snow removal from the Space in a manner prescribed by an annual snow removal plan which shall be submitted to the User each year by the Airport Manager prior to start of the snow season.

(d) In the event the User fails to adhere to said plan, the Port Authority may, at its option, upon ten (10) days' advance notice to the User and the User's failure to cure within such time period, commence corrective action and charge the cost thereof to the User. The amount of such charge to constitute an item of an additional fee.

(e) Except for reasonable wear which does not adversely affect the weather-tight condition or structural integrity of the Space and its improvements or the proper and efficient utilization thereof, the User at its own expense shall take good care of the Space, including without limitation paved and unpaved areas, fences, skylights, steelwork, walls, partitions, floors, foundations, ceilings, columns, windows, doors, glass of every kind, plumbing, heating, lights, sewerage, drainage, water-supply and electrical systems, including all pipes, wires, lines, conduits, equipment and fixtures.

(f) The User shall perform all structural and non-structural maintenance, repairs, replacements and painting at the Space, including walls, ceilings, windows, doors, floors, partitions, glass, electrical, plumbing and heater equipment and fixtures, air conditioning and ventilation equipment that service the Space, regardless of the cause of the condition requiring the same, except for reasonable wear which does not adversely affect

the weather-tight condition or structural integrity of the Space and its improvements or the proper and efficient utilization thereof.

(g) In the event the User fails to commence to so repair, replace, rebuild or paint as required above within a period of thirty (30) days after notice from the Port Authority so to do, or fails diligently to continue to complete the repair, rebuilding, replacement, or painting of all the Space required to be repaired, replaced, rebuilt or painted by the User under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Space included in the said notice, and charge the cost thereof to the User, the amount of such charge to constitute an item of additional fee.

Section 11. Services to the User

(a) The Port Authority shall supply, as needed and approved, connections for water, sewerage, electricity, and gas to the Space.

(b) The User shall promptly pay all domestic water, electric, gas and other utility bills covering consumption by the User in the Space. In the event that any such bill or bills remains unpaid for a period of thirty (30) days after the same becomes due and payable, or in the event that any such bill remains unpaid at the expiration or earlier termination of this Agreement, the Port Authority may pay the same and any interest or penalties thereon, and the total payment or payments at any time so made shall constitute an item of additional fee, payable to the Port Authority upon demand.

(c) The User agrees to heat the enclosed portion of the Space to a sufficient temperature so that plumbing, fire protection and sprinkler systems, will not be damaged by the cold.

(d) In the event that the Borough of Moonachie, or the State of New Jersey or any other municipal subdivision, or corporation now furnishing, with or without charge therefor, any services which are beneficial to the User in its use or occupancy of the Space shall hereafter impose charges or increase existing charges for such services, the User agrees to pay the Port Authority as an item of additional fee hereunder such of the charges or the increase in charges as may be imposed or assessed against the Port Authority in respect of the Space hereunder or the User's use or occupancy thereof.

(e) The Port Authority shall charge the User for the following services, as the same are metered:

(1) Sewer usage, taking into account total usage of others on the same sewer system; and

(2) Standby water charges for fire protection system, taking into account total usage of others on the same systems.

Section 12. Insurance

(a) Subject to the availability of such insurance, the Port Authority in its name and for its benefit only shall insure and during the term of this Agreement keep the enclosed portions of the exclusive and non-exclusive areas insured to the extent of not less than eighty percent (80%) of the insurable value thereof, if such enclosed portions of the exclusive and non-exclusive areas are not protected from the peril of fire by a sprinkler system, and shall keep insured to the extent of not less than ninety percent (90%) of the insurable value of such enclosed portions of the exclusive and non-exclusive areas as are protected from the peril of fire by a sprinkler system, against such hazards and risks as may now or in the future be included under the Standard Form of Fire Insurance Policy of the State of New Jersey.

(b) The Port Authority hereby reserves the right, exercisable at any time during the term of this Agreement and without any notice to the User to self-insure the exclusive and non-exclusive areas either in whole or in part under its self-insurance plan to the same extent and against the same risks as hereinbefore in this Section enumerated.

(c) The parties hereby stipulate that neither the provisions of Title 46:8-6 and 46:8-7 of the Revised Statutes of New Jersey nor those of any similar statute shall extend or apply to this Agreement.

(d) During the term of this Agreement, the User shall, insure and keep insured to the extent of 100% of the replacement cost thereof, covering all risk of physical loss of or damage to all buildings other than Hangars 118, 119 and 120, structures, improvements, installations, facilities, and fixtures now or in the future located on the Space against such hazards and risks as may now or in the future be included under the standard form of fire insurance policy of the State of New Jersey and also against damage or loss by flood, earthquake, windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the standard form of fire insurance policy of New Jersey and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction, and also covering boiler and machinery hazards and risks and also, subject to the availability thereof, covering nuclear property losses and contamination hazards and risks in a

separate insurance policy or policies or as an additional coverage endorsement to the aforesaid policies in the form as may now or in the future be prescribed as of the effective date of said insurance by the rating organization having jurisdiction. The Port Authority shall be included as a named insured and the policy or policies shall be endorsed to include losses adjusted with and payable to the Port Authority.

(e) For the portions of the Space known as Hangars 118, 119 and 120, during the term of this Agreement the Port Authority shall, for the account of and at the expense of the User, provide, insure and keep insured to the extent of 100% of the replacement value thereof, all buildings, structures, improvements, installations, facilities, and fixtures now or in the future located on the said Hangar facilities against such hazards and risks as may now or in the future be included under the standard form of fire insurance policy of the State of New Jersey and also against damage or loss by windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the standard form of fire insurance policy of New Jersey and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction.

(f) The aforesaid insurance coverages and renewals thereof shall insure the Port Authority as its interests may appear and shall provide that the loss, if any, shall be adjusted with the Port Authority and shall be payable to the Port Authority as its interests may appear.

(g) At least seven (7) days prior to the beginning of the term of this Agreement, the policies or certificates representing said insurance shall be delivered by the User to the Port Authority and each policy or certificate delivered shall bear an endorsement obligating the insurance company to furnish the Port Authority twenty (20) days advance notice of the cancellation of the insurance evidenced by said policy or certificates or of any changes or endorsements which may be made thereon. Renewal policies or certificates shall be delivered to the Port Authority at least twenty (20) days before the expiration of the insurance which such policies are to renew.

(h) In the event the Space or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section, the User shall promptly notify the Port Authority of such casualty and shall thereafter furnish to the Port Authority such information and data as shall enable the parties to adjust the loss.

(i) To the extent that any loss is recouped by actual payment to the Port Authority of the proceeds of the insurance herein

referred to above, such proceeds will be paid to the User to cover its costs of rebuilding or repairing the portion or all of the Space which has been damaged or destroyed. Such payment will be made by the Port Authority to the User in installments if requested by the User and as work progresses provided that as to each request for payment the User shall certify by a responsible officer or authorized representative thereof that the amounts requested are due and payable to its contractor for work completed. Upon completion of all the work, the User shall certify by a responsible officer or authorized representative that such rebuilding and repairs have been completed, that all costs in connection therewith have been paid by the User and said costs are fair and reasonable and said certification shall also include as itemization of costs. Nothing herein contained shall be deemed to release the User from any of its repair, maintenance or rebuilding obligation under the Agreement. If the proceeds of any such insurance paid to the Port Authority exceed the User's costs of rebuilding or repair, the excess of such proceeds shall be retained by the Port Authority.

(j) If there is damage or destruction to the Space covered by insurance under this Section, the User shall promptly repair, rebuild or replace the damaged or destroyed portion of the Space. If the User does not so properly proceed then the Port Authority may repair or rebuild and may apply such proceeds of such insurance towards such repair, replacement and rebuilding, but no such application shall relieve the User of its obligations under this Agreement.

(k) The User, for its own protection, may separately insure at its own expense such fixtures, equipment or other personal property at the Space as its interests may appear.

(l) In the event that as a result of a casualty the Space is damaged (without fault of the User, its employees, customers, guests, contractors, subcontractors, invitees or persons doing business with it) so as to render the same untenantable in whole or in part, then the fees payable hereunder with respect to the damaged portion of the Space shall be abated as herein provided for the period from the occurrence of the damage to the earlier to occur of the date of substantial completion of the repairs and rebuilding or the date the User makes use of the part of the Space so damaged.

Section 13. Ingress and Egress

(a) The User, its agents, officers, employees, affiliates, customers, contractors, suppliers of material and furnishers of services shall have the right of ingress and egress between the Space and the city streets or public ways outside the Airport by means of such pedestrian or vehicular roadways to be used in common with others having rights of passage within the Airport as may from

time to time be designated by the Port Authority for the use of the public.

(b) The User shall have the right of ingress and egress between the Space and the public landing areas at the Airport by means of connecting taxiways, to be used in common with others having rights of passage thereon.

(c) The use of any such roadway or taxiway shall be subject to the Rules and Regulations of the Airport which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. The Port Authority may, at any time, temporarily or permanently, close or consent to or request the closing of, any such roadway or taxiway and any other way at, in or near the Space presently or hereafter used as such, so long as a reasonable means of ingress and egress as provided above remains available to the User.

(d) The User hereby releases and discharges the Port Authority, its Commissioners, officers, employees and agents and all municipalities and other governmental authorities and their respective successors and assigns, of and from any and all claims, demands, or causes of action which the User may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, whether within or outside the Space. The User shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Space or in any streets or roadways near the Space.

Section 14. Indemnity, Liability Insurance

(a) (1) The User shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs or expenses including legal expenses incurred in connection with the defense of) all claims and demands of third persons, including but not limited to, claims and demands for death or personal injuries, or for property damages, arising out of the use or occupancy of the Space or any non-exclusive areas by the User or by others with its consent or arising out of any other acts or omissions of the User, its officers, employees, guests, invitees and business visitors on the Space or on any non-exclusive areas, or out of the acts or omissions of others on the Space and any non-exclusive areas with the consent of the User, or arising out of the acts or omissions of the User, its officers and employees elsewhere at the Airport.

(2) If so directed, the User shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent), and in

handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

(b) In addition to the obligations set forth in paragraph (a) hereof and all other insurance required under this Agreement, the User in its own name as assured and with the Port Authority as an additional insured shall secure, maintain and pay the premium or premiums during the term of this Agreement on a policy or policies of Commercial Public Liability Insurance, including but not limited to, premises-operations, products, completed operations, and covering bodily injury, including death, and property damage liability, broadened to include or equivalent separate policies covering aircraft liability and airport operator's liability under an airport liability policy, hangarkeeper's coverage, boiler and machinery coverage, all risk personal property coverage for the full replacement value, a subrogation waiver in favor of the Port Authority, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles, and providing for coverage in the limits set forth below. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the User thereunder with respect to any claim or action against the User by a third person shall pertain and apply with like effect with respect to any claim or action against the User by the Port Authority, but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority thereunder as an additional insured. In addition, all the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the User shall be the same as the protections afforded the User thereunder with respect to any claim or action against the User by a third person as if the Port Authority were the named insured thereunder. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the User under subparagraph (1) hereof.

	Minimum Limits
Commercial Public Liability Insurance:	
Death, bodily injury and Property damage liability: combined single limit per occurrence:	$50,000,000.00

Commercial Automobile Liability Insurance:
Death, bodily injury and
Property damage liability:
combined single limit
per accident: $10,000,000.00

(c) Notwithstanding the foregoing, it is specifically understood and agreed that the Port Authority shall have the right upon notice to the User given from time to time and at any time to require the User to increase any or all of the foregoing limits in amounts that the Port Authority may reasonably require, and the User shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to the Port Authority.

(d) The aforesaid insurance shall be written by companies approved by the Port Authority, the Port Authority convenanting and agreeing not to withhold its approval unreasonably.

(e) Each policy of insurance required by this Section 14 shall contain a provision that the insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority.

(f) As to the insurance required by this Section 14, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority within ten (10) days after the execution of this Agreement and each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may be not canceled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Port Authority. Any renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the User shall promptly obtain a new and satisfactory policy on replacement. If the Port Authority at any time so requests, a certified copy of each of the

policies shall be delivered to the Port Authority.

Section 15. Various Obligations of the User

(a) The User shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Space or the Airport. The User shall take all reasonable measures:

(1) to eliminate vibrations tending to damage any equipment, structure, building or portion of a building which is on the Space, or is a part thereof, or is located elsewhere on the Airport, and

(2) to keep the sound level of its operations within acceptable limits as determined by the Port Authority.

(b) The User shall control the conduct, demeanor and appearance of its employees and invitees and of those doing business with it, and upon reasonable objection from the Port Authority concerning the conduct, demeanor or appearance of any such shall immediately take all lawful steps necessary to remove the cause of the objection. If the Port Authority shall so request, the User agrees to supply and require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the Manager of the Airport.

(c) It is the intent of the parties hereto that noise caused by aircraft engine operation shall be held to a minimum. To this end the User shall conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof to a minimum by such methods as are practicable, considering the extent and type of the operations of the User. In addition, the User shall employ the maximum reasonable amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of the operations of the User. In its use of the Space, the User shall take all possible care, caution and precaution and shall use its best efforts to minimize prop or jet blast interference to aircraft operating on or to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Space. In the event the Port Authority determines that the User has not curbed the prop or jet blast interference, as set forth above, the User hereby covenants and agrees to erect and maintain at its own expense such structure or structures as may be necessary to prevent prop or jet blast interference, subject, however, to the prior written approval of the Port Authority as to type, manner and method of construction.

(d) The User shall daily remove from the Space by means of

facilities provided by User all garbage, debris and other waste materials arising out of or in connection with its operations hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein, said receptacles being provided and maintained by the User. The receptacles shall be kept covered except when filling or emptying the same. The User shall exercise extreme care in removing such garbage, debris and other waste materials from the Space. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Airport shall be used for such removal unless with the Port Authority's prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Space, except pursuant to an approved discharge permit issued by Federal, state, county or local government.

(e) It is intended that the standards and obligations imposed by this Section shall be maintained or complied with by the User in addition to its compliance with all applicable Federal, State and Municipal laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the User agrees that it will comply with such laws, ordinances and regulations in its operations hereunder. Changes in such laws or regulations are not grounds for termination of this Agreement.

(f) The User shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Fire Protection Association and the Fire Insurance Organization of New Jersey or of any other board or organization exercising or which may exercise similar functions which may pertain or apply to the operations of the User on the Space and the User shall, subject to and in accordance with the provisions of this Agreement relating to construction by the User, make any and all structural or non-structural improvements, alterations or repairs of the Space that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the User to comply with the provisions of this Section, any fire insurance, extended coverage or other insurance rate on the Space or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it otherwise would be, then the User shall pay to the Port Authority that part of all premiums paid by the Port Authority which shall have been charged because of such violation or failure by the User.

(g) In connection with the conduct of User's business the User shall:

(1) use its best efforts in every proper manner to maintain, develop and increase the business conducted by it hereunder;

(2) not divert or cause to be diverted, any business from the Airport, provided, however, that the Port Authority acknowledges that the User operates facilities other than the Space and that it may determine, in its reasonable business judgment, to conduct any of its business at such other facilities;

(3) maintain in accordance with accepted accounting practice during the term hereof the User's records and books of account recording all transactions at, through or in any wise connected with the Airport which records and books of account shall be kept at all times at the User's place of business at the Airport; and

(4) permit in ordinary business hours during the term hereof and for one (1) year thereafter the examination and audit, on a non disclosure basis, by the officers, employees or representatives of the Port Authority of such records and books of account and also any records and books of account of any company owned or controlled by the User if said company performs services similar to those performed by the User anywhere at the Airport.

(h) In addition to compliance by the User with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the use hereunder which as a matter of law are applicable to the operation, use or maintenance by the User of the Space or the operations of the User under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the User agrees that it shall conduct all its operations under this Agreement and shall operate, use and maintain the Space in accordance with a high standard and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Space by the User and from the operations of the User under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of this Agreement to require the User, and the User agrees to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. All locations, the manner, type

and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The User shall submit for the Port Authority's approval a Construction Application together with its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same.

(i) The obligations assumed by the User under the above paragraph shall continue throughout the term of this Agreement and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have approved any Construction Application and supporting plans, specifications and contracts covering Construction Work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term of the Agreement consented to or approved any particular procedure or method of operation which the User may have proposed, or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the User to assume the obligations under the above paragraph is a special inducement and consideration to the Port Authority in entering into this Agreement with the User.

(j) The User shall be solely responsible for compliance with the provisions of this Section and no act or omission of the Port Authority shall relieve the User of such responsibility.

(k) The following terms shall have the following respective meanings as used herein:

(1) "Environmental Damages" shall mean any one or more of the following: (i) the presence on, about or under the Space of any Hazardous Substance, as hereinafter defined, and/or (ii) the disposal, release or threatened release of any Hazardous Substance from the Space, and/or (iii) an Off-Space Hazardous Substance, as hereinafter defined, and/or (iv) any personal injury (including wrongful death) or property damage arising out of or related to such Hazardous Substances, and/or (v) the violation of any Environmental Requirements, as hereinafter defined, pertaining to such Hazardous Substances or Off-Space Hazardous Substances, the Space and/or the activities thereon.

(2) "Environmental Requirements" and "Environmental Requirement" shall mean all applicable present and future laws, statutes, enactments, resolutions, regulations, rules, ordinances, codes, licenses, permits, orders (including agreed upon consent orders), approvals, plans, authorizations, concessions, franchises, requirements and similar items, of all Governmental Agencies, and all

applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, as among the various Governmental Agencies, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance taking into account the nature and intended use of the Space, the foregoing to include without limitation:

(a) All requirements pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases, or threatened releases of Hazardous Substances into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use treatment, storage, disposal, transport, or handling of Hazardous Substances; and

(b) All Environmental Requirements pertaining to the protection of the health and safety of employees or the public.

(3) "Hazardous Substances" and "Hazardous Substance" shall mean and include without limitation any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, petroleum and petroleum products and other substances which have been or in the future shall be declared to be hazardous or toxic, or the removal of which have been or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which have been or in the future shall be restricted, prohibited, regulated or penalized by any Environmental Requirement.

(4) "Off-Space Hazardous Substance" shall mean the presence of any Hazardous Substance in, about or under property at the Airport other than the Space as a result of the User's use and occupancy of the Space, whether by migration, release, discharge or any other manner, it being understood that the User shall have the burden of proof to establish that any migration of a Hazardous Substance from the Space was not a result of the User's use and occupancy of the Space.

(l) The User, prior to the execution of this Agreement, has thoroughly examined the Space and determined it to be suitable for the User's operations hereunder and the User restates and continues said determination in connection with its continued occupancy hereunder. Except as otherwise provided herein, the User hereby agrees to assume all responsibility for any and all risks, costs and expenses of any kind whatsoever caused by, arising out of or in connection with the condition of the Space whether existing on or after the date of the User's or its predecessor in interest's original occupancy of the Space, including, without limitation, all Environmental Requirements and Environmental Damages, as herein defined, and all soil remediation to the extent required under Environmental Requirements, including but not limited to, remediation which may be required as a result of discovery of any contaminants while performing test borings or in the performance of Construction Work, and to indemnify and hold harmless the Port Authority with respect to third party claims in accordance with Section 14 of this Agreement. Notwithstanding the foregoing, the User shall be responsible for the removal of and remediation of Hazardous Substances placed, or permitted or caused to be placed, on, in or under the Space by the User or by its employees, agents, contractors, or others using or occupying the Space under this Agreement.

(m) In addition to all other obligations of the User hereunder, in connection with the Public Aircraft Parking Apron, the User shall be responsible for the following:

(1) maintaining and keeping such portion of the Space at all times free from loose debris, stones, tools and all other aspects of like nature; and

(2) immediately wiping and cleaning of all fuel, lubricant or chemical spills or leakage upon the pavement and preventing any fuel, lubricants or chemical from draining into any waters abounding Such portion of the Space; and

(3) removing of snow and ice from such portion of the Space; and

(4) maintaining and repairing any damage to the pavement from any cause whatsoever; and

(5) repainting of markings upon the pavement as required from time to time by the Port Authority.

(6) The specific obligations contained in this subparagraph shall be performed by the User at no expense to the Port Authority.

(7) The User shall not mar the pavement in any way, such as drilling holes or installing stakes or any other like act and shall not install tie-downs of any nature in or upon the Space.

(8) The User shall not charge any fees for the parking of U.S. Government aircraft on the Space.

(9) The User shall use its best efforts to accommodate the general public on the Space; in addition to its own aircraft and those of its customers.

(10) The User shall be solely responsible for compliance with the provisions of this Section and no act or omission of the Port Authority shall relieve the User of such responsibility.

Section 16. Prohibited Acts

(a) The User shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food or of any vending machines or device designed to dispense or sell merchandise or services of any kind to employees or the public, except that the User may, for the benefit of its employees, customers, guests and visitors install coin operated vending machines or services for the dispensing and sale of the following:

(1) Hot and cold packaged foods;

(2) Hot and cold beverages;

(3) Candy and chewing gum;

(4) Tobacco and tobacco products;

(5) Newspapers and periodicals; and

(6) Telephone services (pay stations)

(All of the foregoing being hereinafter collectively called "vending machines").

(b) If the User, installs or causes to be installed, vending machines on the Space for the limited sale of merchandise or services permitted hereunder, the User shall have the right to retain the revenues derived therefrom, provided, however, that the User shall itself, and shall also require its contractors to, indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands (to include reasonable attorney and other professional

fees) of third persons, including employees, officers and agents of the Port Authority and the Port Authority arising or alleged to arise out of the installation, operation or maintenance of the User's vending machines (or consumables obtained therefrom) or arising or alleged to arise out of any actual or alleged infringement of any patent, trademark or copyright or any alleged or actual unfair competition in any wise connected with the operation of the User's vending machines whether or not such claims, demands, causes of action, liabilities, etc. are made or asserted before or after termination or expiration of this Agreement.

(c) The limited right to install, operate and maintain vending machines granted to User herein may be terminated by the Port Authority at any time during the term of this Agreement upon ninety (90) days' notice to the User and the Port Authority, at any time thereafter, may substitute for the User's vending machines other machines selling similar merchandise or services operated by the Port Authority or by its permittee or concessionaire and thereupon User shall remove its machines.

(d) Upon installation by the Port Authority or by its permittee or concessionaire of vending machines in substitution of the User's vending machines, all revenues derived therefrom shall be retained by the Port Authority.

(e) Upon rendering of notice to the User of termination of the right to operate vending machines, the Port Authority may elect to permit the User's vending machines to remain, but in such case, the User shall pay or cause to be paid to the Port Authority each month for each machine upon the same basis for the preceding month as any permittee or concessionaire of the Port Authority then operating machines at the Airport for sale to the general public of similar merchandise or rendering of similar services.

(f) The termination by the Port Authority of the limited right of the User to install vending machines at the Space shall be non-discriminatory in that similar rights granted to other Users at the Airport shall be terminated concurrently therewith, and in the exercise of such right by the Port Authority the User shall not be entitled to assert any claim or institute any action or proceeding at law or in equity to assert any claim on account thereof whether for loss, damages or loss of revenue, consequential or otherwise.

(g) The User shall not overload any floor or paved area on the Space and shall repair any floor including supporting members and any paved area damaged by overloading.

(h) The User shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the utility, mechanical, electrical, drainage and sewer systems,

fire-protection system and other systems installed or located on or in the Space.

(i) The User shall not commit any nuisance or permit its employees or others on the Space with its consent to commit or create or continue or tend to create any nuisance on the Space or in or near the Airport.

(j) The User shall not cause or permit to be caused or produced upon the Space, to permeate the same or to emanate therefrom, any unusual, noxious or objectionable smokes, gases, vapor or odors.

(k) The User shall not do or permit to be done any act or thing upon the Space which:

(1) will invalidate or conflict with any fire insurance policies covering the Space or any part thereof, or the Airport or any part thereof; or

(2) which, in the opinion of the Port Authority, may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Agreement; or

(3) which will increase the rate of any fire insurance, extended coverage or other insurance on the Airport or any part thereof or upon the contents of any building or structure thereon.

(l) Except persons who have been granted valid permits or permission from the Port Authority, the User shall not permit, foster or allow on the Space any persons not related to the User who are:

(1) doing maintenance work on aircraft not owned or operated solely by said persons,

(2) giving flight instruction of any sort unless such persons are members of the User's flight instruction staff, or

(3) conducting air taxi, aircraft charter or aircraft leasing of any sort.

Section 17. Rules and Regulations

The User shall observe and obey and shall compel others on the Space and those doing business with it with respect to the Space to observe and obey such Rules and Regulations of the Airport as are now in effect or as may be promulgated from time to time for the

government and conduct of operations of the Airport for reasons of safety, health or preservation of property, for the good and orderly appearance of the Space and for the safe and efficient operation and use of the Space. If a copy of the Rules and Regulations is not attached, then the Port Authority will make a copy thereof available to the User at the office of the Manager of Teterboro Airport.

Section 18. Signs

(a) Except with the prior written approval of the Port Authority, the User shall not erect, maintain or display any advertising, signs or similar devices at or on the Space.

(b) Upon demand by the Port Authority, the User shall remove, obliterate or paint out any and all advertising, signs and similar devices placed by the User on the Space or elsewhere on the Airport without the prior approval of the Port Authority. In the event of a failure on the part of the User so to remove, obliterate or paint out each and every sign or piece of advertising and so to restore the Space and the Airport, the Port Authority may perform the necessary work and the User shall pay the costs thereof to the Port Authority on demand.

Section 19. Assignment

(a) The User agrees that it will not grant the right of sub-use, sell, convey, transfer, assign, mortgage or pledge this Agreement or any part thereof or any rights granted thereby without the prior written consent of the Port Authority. The Port Authority may grant or withhold such consent solely in its discretion for any reason.

(b) If the User assigns, sells, conveys, transfers, mortgages, pledges, or grants the right of sub-use under this Agreement in violation of the foregoing provisions of this Section, or if the Space is occupied by anyone other than the User, the Port Authority may collect from any assignee, sub-user or anyone who claims a right to this Agreement or who occupies the Space any charges or fees payable by said assignee, sub-user or other user and no such payment shall be deemed a waiver by the Port Authority of the covenants or agreements contained in this Section nor of acceptance by the Port Authority of any assignee, claimant or occupant, nor as a release of the User by the Port Authority from the further performance by the User of the agreements contained herein, including but not limited to, the payment of fees.

Section 20. Condemnation

(a) The User, in any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of

any interest in all or any part of the Space, shall not be entitled to assert any claim to any compensation or award or part thereof made or to be made therein or therefor, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority, or its subsidiaries and affiliates for or on account of any such taking (except the possible claim to an award for loss of the User's removable fixtures), it being understood and agreed between the Port Authority and the User that the Port Authority shall be entitled to all the compensation or awards made or to be made or paid for in such taking, free of any claim or right of the User.

(b) In the event of a taking of the entire Space by any governmental agency or agencies, then this Agreement shall be canceled as of the date possession is taken from the Port Authority by the agency or agencies, and shall cease and expire in the same manner and with the same effect as if the Agreement had on that date expired. The Port Authority shall provide the User such advance notice as practicable.

(c) In the event that all or any portion of the Space is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority may by notice given to the User terminate the Agreement with respect to all or such portion of the Space so required. Such termination shall be effective on the date specified in the notice. The User hereby agrees to deliver possession of all or such portion of Space so required upon the effective date of such termination. No taking by or conveyance to any governmental authority as described above nor any delivery by the User nor taking by the Port Authority pursuant to this paragraph shall be or be construed to be a breach of this Agreement or be made the basis of any claim by the User against the Port Authority for damages, consequential or otherwise.

Section 21. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Agreement, the User, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land (1) that no person on the grounds of sex, race, color, creed or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Space, (2) that in the construction of any improvement on, over, or under the Space and the furnishing of services thereon, no person on the grounds of sex, race, color, creed or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination, (3) that the User shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of

Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the User's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The User assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The User assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The User assures that it will require that its covered suborganization provide assurances to the User that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

(c) The User shall include the provisions of the above paragraphs in every agreement or concession pursuant to which any person or persons, other than the User, operates any business or facility in or at the Space providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such covenant.

(d) The User's non-compliance with the provisions of this Section shall constitute a material breach of the Agreement. In the event of the breach by the User of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance; or in the event such non-compliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate this Agreement with the same force and effect as a termination under the Section of the Agreement providing for termination for default by the User in the performance or observance of any other term or provision of the Agreement; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(e) The User shall indemnify and hold harmless the Port Authority (to include reasonable attorney's and other professional fees) from any claims and demands of third persons including the United States of America resulting from the User's non-compliance

with any of the provisions of this Section and the User shall reimburse the Port Authority for any loss or expense incurred by reason of such non-compliance, whether or not such claims, demands, causes of action, liability, etc., are made or asserted before or after termination or expiration of this Agreement.

(f) Nothing contained in this Section shall grant or shall be deemed to grant to the User the right to transfer or assign the Agreement, to make any agreement or concession of the type mentioned in this Section, or any right to perform any construction on the Space.

(g) Minority Business Enterprises

In accordance with the construction required in Section 6 of the Agreement, the User hereby agrees to use its reasonable efforts to ensure that minority business enterprises (M.B.E.) and women-owned business enterprises (W.B.E.) as defined in 49 CFR Part 23 have the maximum opportunity to participate in said construction. The participation goal for M.B.E. and W.B.E. participation in the total contract price shall be twelve percent (12%) for firms owned and controlled by minorities and five percent (5%) for firms owned and controlled by women.

Section 22. Right to Recapture Portions of the User's Ramp Space

(a) The User acknowledges that the Airport serves the needs of the public and that the Public Aircraft Facilities should be utilized to the fullest extent possible with airport users afforded fair and reasonable access. The User also acknowledges that the following paragraphs provide that if the User does not utilize its facilities to the level set forth in stated performance criteria, such underutilized facilities may be either recaptured by the Port Authority or required to be offered by the User to another user in accordance with the provisions of the following paragraphs.

(b) It is hereby agreed that, commencing on January 1, 2001, which will be known as the "Start Date," and for each and every calendar year thereafter, the Port Authority may ascertain the User's percentage share (hereinafter referred to as the "User's Current Fuel Share") of the total aircraft fuel gallons sold (hereinafter referred to as "Total Current Fuel Dispensed") at the Airport for the preceding calendar year. The fuel dispensed by the User for the year preceding the Start Date and the year preceding each and every calendar year thereafter during which such calculation is made shall be known as the "User's Current Fuel Dispensed." The User's Current Fuel Share shall be calculated by dividing the User's Current Fuel Dispensed by the Total Current Fuel Dispensed preceding the year during which such calculation is made. The User's Current Fuel Share for the calendar year 1998 shall hereinafter be defined as "the Base Year's Fuel Share" and is

shown below:

Teterboro Airport User	Fuel Share in 1998
Atlantic Aviation Corporation	17.8%
First Aviation Services, Inc.	16.5%
Jet Aviation of America, Inc.	34.4%
General Aviation Aircraft Services, Inc. (doing business as Million Air-Teterboro)	17.0%
Signature Flight Support-New Jersey, Inc.	14.3%

(c) As of the Start Date and as of January 1st of each succeeding calendar year, in the event that the User's Current Fuel Share for the respective preceding calendar year is determined to be at least twelve and one half percent (12.5%) less than the User's Base Year Fuel Share, the Port Authority shall have the right, but not the obligation, upon two (2) month's written notice to the User, to require the User to make, and the User hereby agrees to make, ramp space (hereinafter called "Accommodation Space") available to other users, sub-users or the Port Authority in useable increments as directed by the Port Authority in the amount and in the manner and to the extent set forth below:

Percentage of User's Current Fuel Share Divided by User's Base Year Fuel Share	Ramp Space to be Made Available
87.5% (12.5% reduction or greater)	Up to 20% of Total
75.0% (25% reduction or greater)	Up to 50% of Total
50.0% (50% reduction or greater)	Up to 100% of Total

(d) In the event the User is so notified by the Port Authority it shall either (a) enter into a sub-use agreement with another user for a term of one (1) year or (b) enter into a surrender agreement, as directed by the Port Authority. Any such sub-use agreement shall be subject to the prior and continuing approval of the Port Authority and the execution by and among the User, the sub-user and the Port Authority of a Consent Agreement in form satisfactory to the Port Authority. Moreover, and without limiting the foregoing, the User shall provide any and all information to the Port Authority as may be requested by the Port Authority from time to time as to all aspects of its accommodation of such sub-user hereunder. Nothing contained herein shall in any way affect the discretion of the Port Authority in granting or withholding its consent to a sub-use agreement.

(e) The failure of the Port Authority to exercise its right under this Section during any year in which it may have such a right shall not affect, waive, or limit its rights to exercise such right in any subsequent year during any period of under-utilization. In no event will the Accommodation Space exceed the

percentages set forth above.

(f) The User shall make such ramp space available during the period set forth in the aforesaid notice. The Port Authority shall consider a request by the User to restore the Accommodation Space to the User when the User's Current Fuel Share shall have returned to within twelve and one half percent (12.5 %) or less of the User's Base Year Fuel Share, provided the Accommodation Space is not then covered by a sub-use or other agreement, or at such time as the Port Authority deems it is in the best interest of the Airport to restore the Accommodation Space to the User.

(g) The User agrees that all sub-use and occupancy agreements shall be at reasonable and at non-discriminatory rates, fees and charges and shall be based on the recovery by the User of a pro rata share of the User's costs of (1) operation and maintenance, (2) services provided, and (3) the User's fees and investment in the Accommodation Space.

(h) Notwithstanding anything set forth herein to the contrary, in the event the Port Authority authorizes the sale of fuel at the Airport by any entities in addition to those listed in Section 22(b) hereof, a new Base Year's Fuel Share shall be established for each user, and such new Base Year's Fuel Share shall be used for the calculation required in Section 22(c) hereof.

Section 23. Governmental Requirements

(a) The User shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the User's operations at the Space which may be necessary for the User's operations thereat.

(b) The User shall pay all taxes, license, certification, permit and examination fees and excise which may be assessed, levied, exacted or imposed on the Space or operation hereunder or on the gross receipts or income to the User therefrom, and shall make all applications, reports and returns required in connection therewith.

(c) The User shall comply with the enactments, ordinances, resolutions and regulations of local governmental authorities and of their various departments, boards and bureaus in regard to construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation to the extent that the Port Authority finds it practicable to do so, except in cases where the Port Authority either notifies the User that it need not comply with or directs it not to comply with any such enactments, ordinances, resolutions or regulations. The User shall, for the Port Authority's information, deliver to the Port Authority

promptly after receipt of any notice, warning, summons or other legal process for the enforcement of any of the foregoing, a true copy of the same. Any direction by the Port Authority to the User not to comply with any such enactment, ordinance, resolution or regulation shall be given only pursuant to a resolution duly adopted by the Board of Commissioners of the Port Authority or by an authorized Committee of its Board and if any such direction is given by the Port Authority to the User, the Port Authority, to the extent that it may lawfully do so, shall indemnify and hold the User harmless from and against all claims, acts, damages, liabilities, fines, penalties, costs and expenses suffered or incurred by the User as a result of non-compliance with such enactment, ordinance, resolution or regulation. Any notice received by the Port Authority shall be given to the User as soon as practicable.

(d) In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the User, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the User of a written direction from the Port Authority not to comply (and thereafter discontinued), such compliance shall not constitute a breach of this Agreement although the Port Authority thereafter directs the User not to comply. Nothing herein contained shall release or discharge the User from compliance with any other provision hereof respecting governmental requirements.

(e) The User shall have such time within which to comply with the aforesaid laws, ordinances, rules and regulations as the authorities enforcing the same shall allow.

(f) The User shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the User's operations at the Space and the Airport and the User shall, in accordance with and subject to the provisions of Section 7 hereof, make any and all structural and non-structural improvements, alterations or repairs of the Space that may be required at any time hereafter by any such present or future law, rules, regulations, requirement, order or direction.

(g) The User's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Space. Such provision is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

Section 24. Rights of Entry Reserved

(a) The Port Authority, by its officers, employees, agents,

representatives and contractors and the Port Authority and its subsidiaries and affiliates by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Space for the purpose of inspecting the same, for observing the performance by the User of its obligations under this Agreement and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement, or otherwise. In the event of a question of a contractor's authority, the User shall contact the Port Authority.

(b) Without limiting the generality of the foregoing, the Port Authority by its officers, employees, agents, representatives and contractors and by the employees, agents, representatives and contractors of any furnisher of utility services in the vicinity, shall have the right, for its own benefit, for the benefit of the User, or for the benefit of others than the User at the Airport, to maintain existing and future utilities systems or portions thereof on the Space, including therein, without limitation thereto, systems for the supply of heat, water, gas, fuel, electricity and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, telegraph and telephone services, including all lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to such systems, and to enter upon the Space at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the Space new systems or parts thereof, including lines, pipes, mains, wires, conduits and equipment; provided, however, that in the exercise of such rights of repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the Space by the User.

(c) The exercise of any or all of the foregoing rights by the Port Authority or others shall not be or be construed to be an eviction of the User nor be made the grounds for any abatement of fees, nor any claim or demand for damages, consequential or otherwise.

(d) Nothing in this Section shall impose or shall be construed to impose upon the Port Authority any obligation so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do.

Section 25. Basic Agreement

In the event the Basic Agreement is terminated, revoked, canceled or expires, this Agreement shall continue in accordance with all its terms and conditions and such termination, revocation, cancellation or expiration of the Basic Agreement shall not be

deemed a breach of this Agreement.

Section 26. Patents, Trademarks

The User represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any way connected with this Agreement. The User agrees to indemnify and to save and hold the Port Authority, its Commissioners, officers, employees, agents and representatives free and harmless of and from any and all loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the User under or in anywise connected with this Agreement, whether or not such claims, demands, causes of action, liabilities, etc., are made or asserted before or after termination or expiration of this Agreement and to include reasonable attorney's and other professional fees.

Section 27. Additional Fees and Charges

If the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the User to perform or fulfill any one or more of the conditions or agreements contained in this Agreement, or as a result of an act or omission of the User contrary to the said conditions and agreements, the User agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of fees thereafter due hereunder, and each and every part of the same shall be and become additional fees, recoverable by the Port Authority in the same manner and with like remedies as if they were originally a part of the fees as set forth in the Section entitled "Fees to the Port Authority" hereof.

Section 28. Right of Re-Entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in the Section entitled "Termination by the Port Authority" hereof, have the right to re-enter the Space and every part thereof upon the effective date of termination without further notice of any kind, and may regain and resume possession either with or without the institution of summary or any other legal proceedings or otherwise. Such re-entry or regaining or resumption of possession, however, shall not in any manner affect, alter or diminish any of the obligations of the User under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 29. Surrender

The User covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Space on the date of cessation of the Agreement, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, except for reasonable wear which does not cause or tend to cause deterioration of the improvements or adversely affect the efficiency or proper utilization thereof.

Section 30. Termination by the Port Authority

(a) Upon the occurrence of any of the following events or at any time thereafter during the continuance thereof, the Port Authority may terminate the rights of the User under this Agreement upon five (5) days' written notice, such termination to be effective upon the date specified in such notice:

(1) The User shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

(2) By order of decree of a court the User shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the User is a corporation, by any of the stockholders of the User, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

(3) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the User and shall not be dismissed within sixty (60) days after the filing thereof; or

(4) Except as may be provided in the Section of this Agreement entitled "Assignment," the interest of the User under this Agreement shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

(5) The User shall, without the prior written approval of the Port Authority, become a successor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or

(6) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the Space of the User and such possession or control shall continue in effect for a period of twenty (20) working days; or

(7) The User shall voluntarily abandon, desert or vacate the Space or discontinue its operations at the Airport, or, after exhausting or abandoning any right of further appeal, the User shall be prevented for a period of sixty (60) days by action of any governmental agency having jurisdiction thereof, from conducting its operations at the Airport, regardless of the fault of the User; or

(8) Any lien is filed against the Space because of any act or omission of the User and is not removed within forty-five (45) days after notice to the User thereof, or if removal of the lien cannot be accomplished within such forty-five (45) day period, the User fails to take steps to challenge said lien within such forty-five (45) day period; or

(9) The User shall fail duly and punctually to pay the fees or to make any other payment required hereunder when due to the Port Authority and shall persist in its failure for a period of ten (10) days following the receipt of written notice of such default from the Port Authority; or

(10) The User shall fail to keep, perform and observe each and every promise and agreement set forth in this Agreement on its part to be kept, performed, or observed, within thirty (30) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the User shall have commenced substantially to perform whatever may be required for fulfillment within thirty [30] days after receipt of notice and continues diligently such substantial performance without interruption except for causes beyond its control); or

(11) There shall be an occurrence of any of the events of

default resulting in termination of any other use and occupancy agreements or permits between the User and the Port Authority at the Airport, provided, however, if the User is in full compliance with all the terms and conditions of this Agreement, but no longer has or is about to lose any fuel agreement or permit it may then have with the Port Authority, the User shall be offered the opportunity to enter into whatever agreement the Port Authority deems necessary to enable the User to dispense or have dispensed aviation fuel at the Airport in connection with its operations hereunder.

(b) If any of the events enumerated in the above items of paragraph (a) hereof shall occur prior to the effective date of this Agreement, the Port Authority, upon the occurrence of any such event or at any time thereafter during the continuance thereof by twenty-four (24) hours' notice, may cancel this Agreement, such cancellation to be effective upon the date specified in such notice and the User's continuance in possession of the Space under the Other Use and Occupancy Agreements shall be governed by each such Use and Occupancy Agreement.

(c) No acceptance by the Port Authority of fees, charges, or other payments in whole or in part for any period or periods after a default of any of the terms, agreements and conditions hereof to be performed, kept or observed by the User shall be deemed a waiver of any right on the part of the Port Authority to terminate this Agreement.

(d) No waiver by the Port Authority of any default on the part of the User in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the User shall be or be construed to be a waiver by the Port Authority of any other or subsequent default in performance of any of the valid terms, agreements and conditions.

(e) The rights of termination described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that the Port Authority would have at law or in equity consequent upon any breach of this Agreement by the User, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies.

Section 31. Survival of the Obligations of the User

(a) In the event that the Agreement shall have been terminated in accordance with a notice of termination as provided in the Section entitled "Termination by the Port Authority" hereof, or in the event that the Port Authority has re-entered, regained or resumed possession of the Space in accordance with the provisions

of the Section entitled "Right of Re-Entry" hereof, all the obligations of the User under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times, and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency, for the entire unexpired term of the Agreement.

(b) The amount of damages for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) on account of the User's fee obligations, shall be the sum of the following:

The amount of the total of all installments of fees pursuant to the Section entitled "Fees to the Port Authority" hereof, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first (1st) day of the month in which the termination is effective shall be prorated for the part of the month the Agreement remains in effect on the basis of the total days in the month; and an amount equal to all reasonable expenses incurred by the Port Authority in connection with regaining possession, restoring the Space, acquiring a User for the Space, legal expenses (including but not limited to reasonable attorney's fees), putting the Space in order including, without limitation to, cleaning, redecorating (on failure of the User to restore), maintenance and brokerage fees.

Section 32. Use Subsequent to Cancellation or Termination

(a) The Port Authority, upon termination or cancellation pursuant to the Section of this Agreement entitled "Termination by the Port Authority," or upon any re-entry, regaining or resumption of possession pursuant to the Section of this Agreement entitled "Right of Re-Entry," may occupy the Space or may enter into an agreement with another user and shall have the right to permit any person, firm or corporation to enter upon the Space and use the same. Such use may be of the entire Space or a part thereof, together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. The Port Authority, at its own expense, shall also, upon said termination or cancellation, or upon said re-entry,

regaining or resumption of possession, have the right to repair and to make structural or other changes in the Space, including changes which alter the character of the Space and the suitability thereof for the purposes of the User under this Agreement, without affecting, altering or diminishing the obligations of the User hereunder.

(b) In the event either of use by others or of any actual use and occupancy by the Port Authority, there shall be credited to the account of the User against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any user, licensee, permittee or other occupier in connection with the use of the said Space or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the Space as the Port Authority may itself during such period actually use and occupy, less all reasonable expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith.

(c) No such use and occupancy shall be or be construed to be an acceptance of a surrender of the Space, nor shall such use and occupancy constitute a waiver of any rights of the Port Authority hereunder.

Section 33. Services by the User

(a) A principal purpose of the Port Authority in the making of this Agreement is to make available at the Airport the items and services which the User is permitted to sell and render hereunder. The User hereby warrants and agrees that it will conduct a first-class operation and will furnish all necessary or proper fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials, and facilities.

(b) The User shall:

(1) furnish good, prompt and efficient service adequate to meet all reasonable demands therefor at the Space;

(2) furnish said service on a fair, equal and nondiscriminatory basis to all users thereof; and

(3) charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the User may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers or sub-users.

(4) As used in the above items, "service" shall include furnishing of parts, materials and supplies (including sale thereof).

(c) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Federal Airport Act of 1946 and pursuant to the Airport and Airway Development Act of 1970 (49 U.S.C. 1701), as the same have been amended and supplemented, and the Port Authority may in the future apply for and receive further such grants. The Port Authority may in the future undertake certain additional obligations respecting the operation of the Airport and the activities of contractors, users and permittees thereon. The performance by the User of the promises and obligations contained in this Agreement is therefore a special consideration and inducement to the Port Authority to enter into this Agreement and the User further covenants and agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the User of its obligations under this Agreement, the User will promptly comply therewith, at the time or times when and to the extent that the Port Authority may direct.

Section 34. Remedies to be Non-Exclusive

Except where otherwise specifically provided, all remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to either party at law or in equity.

Section 35. Limitation of Rights and Privileges Granted

No exclusive rights at the Airport are granted by this Agreement and no greater rights or privileges with respect to the use of the Space or any part thereof are granted or intended to be granted to the User by this Agreement, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

Section 36. Removal of Personal Property

(a) The User shall have the right at any time during the term of this Agreement to remove its equipment, inventories, removable fixtures and other personal property from the Space.

(b) If the User shall fail to remove its property on or before the termination or expiration of the term, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, all without insurance, and sell the same at public auction, the proceeds of, which shall be applied first, to the expense of removal, storage and sale; second, to any sums owed by the User to the Port Authority, with any balance remaining to be paid to the User, but if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the User shall pay such excess to the Port Authority upon demand.

Section 37. Brokerage

The User and the Port Authority each represents and warrants that no broker has been concerned on its behalf in the negotiation of this Agreement and that there is no such broker who is or may be entitled to be paid a commission in connection therewith. Each party shall indemnify and save harmless the other party of and from any claim for commission or brokerage made by any and all persons, firms or corporations whatsoever for services rendered to such party, whether or not such claims, demands, causes of action, liabilities, etc., are made or asserted before or after termination or expiration of this Agreement (to include reasonable attorney's and other professional fees).

Section 38. Obstruction Lights

(a) The User shall furnish such obstruction lights as the Port Authority shall direct, of the type and design approved by the Port Authority, and shall install said lights in the locations on the Space designated by the Port Authority and shall maintain them in good operating condition at all times.

(b) The User shall furnish and install the bulbs and furnish the electricity necessary for the operation of said lights, and shall operate the same in accordance with the directions of the Port Authority. The Port Authority hereby directs that all said obstruction lights shall, until further notice, be operated daily for a period commencing thirty (30) minutes before sunset and ending thirty (30) minutes after sunrise and for such other periods as may be directed or requested by the Control Tower of the Airport.

Section 39. Notices

Except where expressly required or permitted herein to be oral, all notices, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be personally delivered to the duly

designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by certified mail. The User shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Port Authority hereby designates its Executive Director, and the User designates ~~Paul T. Engl~~ as their respective officers upon whom notices and requests may be served, and the Port Authority designates its office at One World Trade Center, New York, New York 10048 and the User designates its office at 111 Charles Lindbergh Drive, Teterboro, New Jersey 07608, as their respective offices where notices and requests may be served. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the registered or certified mailing thereof. The Port Authority shall, for informational purposes only, send a copy of all such notices and requests to the User's counsel at Windels Marx Lane & Mittendorf, LLP, 120 Albany Street, New Brunswick, New Jersey 08901, Attention: Anthony R. Coscia, Esq. Failure on the part of the Port Authority to send the informational copy shall not, however, be or be deemed to be a breach of this Agreement or impair the validity of the notice given in accordance with the foregoing.

TERRANCE P. KELLEY
FOR THE PORT AUTHORITY

Section 40. Construction and Application of Terms

FOR THE USER

The Section and subsection headings, if any, in this Agreement, are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of intent of any provision hereof.

Section 41. Non-Liability of Individuals

Neither the Directors of the Port Authority, its subsidiaries and affiliates, or User nor any officers, agents or employees thereof, shall be charged personally by the other with any liability or held liable to the other under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

Section 42. Affirmative Action

The User assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person on the grounds of race, creed, color, national origin, or sex shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The User assures that no person shall be excluded on these grounds from

participating in or receiving the services or benefits of any program or activity covered by this subpart. The User assures that it will require that its covered suborganizations provide assurances to the User that they similarly will undertake affirmative action programs and that they will require assurance from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

Section 43. Late Charges

If the User should fail to pay any amount required to be paid by the User under this Agreement when due to the Port Authority, including without limitation any payment of fees or any payment of utility or other charges or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (herein below described) during the entirety of which such amounts remain unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority of payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be and become additional fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees payable hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's rights set forth in Section 30 of this Agreement or (ii) any obligations of the User under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 44. Books and Records

The User shall keep in an office or offices in the Port of New York District, appropriate books and records showing (i) the date and hour of each take-off or departure from the Airport of each aircraft operated by it and the date and hour of the landing by such aircraft next preceding each take-off or departure, (ii) all matters which it is required to certify to the Port Authority pursuant to this Agreement and (iii) any other matter concerning the User's operations at the Airport with respect to which the Port Authority may reasonably need information to fulfill its obligations or exercise its rights under this Agreement whether or not of the type enumerated above in this Section and whether or not an express obligation to keep books and records with regard thereto is expressly set forth elsewhere in this Agreement. The User shall not be obligated to preserve any such records for more than twelve (12) months unless they are material to litigation initiated within that time, in which event they shall be preserved until the final determination of the controversy. The Port Authority shall have the right to inspect such books and records during regular business hours.

Section 45. Force Majeure

(a) Neither the Port Authority nor the User shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, tides, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which are nor within its control; provided, however, that this provision shall not apply to failures by the User to pay the fees or other charges specified hereunder, and shall not apply to any other charges or money payments; and, provided, further, that this provision shall not prevent the Port Authority from exercising its rights of termination hereunder, and shall not prevent the User from exercising its right to an abatement of fees hereunder.

(b) No abatement, diminution or reduction of the fees or other charges payable by the User shall be claimed or allowed to the User for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city governments, or of any other municipal, governmental, or lawful authority other than the Port Authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom or by any other cause or causes beyond the control of the Port

Authority, nor shall this Agreement be affected be any such causes, except as otherwise herein specifically provided.

Section 46. Place of Payments

All payments required of the User by this Agreement shall be made to the Port Authority, P.O. Box 17309, Newark, New Jersey 07194, or at such other office or location as may be substituted therefor by notice to the User.

Section 47. Waiver of Redemption

The User hereby waives any and all rights to recover or regain possession of the Space and all rights of redemption, granted by or under any present or future law in the event it is evicted or dispossessed for any cause, or in the event the Port Authority obtains possession of the Space in any lawful manner.

Section 48. Acceptance of Surrender of Agreement

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of the Port Authority and of the User. Except as expressly provided in this Section, neither the doing of, nor any omission to do, any act or thing, by any of the officers, agents or employees of the Port Authority, shall be deemed an acceptance of a surrender of the use and occupancy of the Space or of this Agreement.

Section 49. Contract of Guaranty

As security for the User's performance of all its obligations hereunder, the User shall cause a Contract of Guaranty in form substantially similar to the form attached hereto, hereby made a part hereof and marked "Exhibit G" and satisfactory to the Port Authority to be executed and delivered to the Port Authority with the delivery of this Agreement to the Port Authority.

Section 50. Entire Agreement

This Agreement consists of the following: Sections 1 through 50 inclusive and Exhibit A and Exhibit G. The foregoing constitutes the entire agreement of the parties on the subject matter hereof. It may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the User. The User agrees that no representations or

warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Title: Director, Aviation Dept.

Seal

ATTEST:

(Title)
Secretary

JET AVIATION TETERBORO, L.P.

By: Jet Aviation of America, Inc.,
A Maryland corporation,
The General Partner

By: _____

Title: President

(Corporate Seal)

APPROVED
FORM | TERMS

EXHIBIT G

CONTRACT OF GUARANTY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") a body corporate and politic, created by Compact between the States of New Jersey and New York, with the consent of the Congress of the United States of America, and having an office at One World Trade Center, in the Borough of Manhattan, in the City, County and State of New York, is willing to enter into a certain Use and Occupancy Agreement made as of December 1, 2000 and identified by Port Authority Agreement No. TA-301 (which Agreement is hereinafter called "the Agreement") to be made by and between the Port Authority and JET AVIATION TETERBORO, INC. (hereinafter called the "User"), a New Jersey limited partnership with an office for the transaction of business at 111 Charles Lindbergh Drive, Teterboro, New Jersey 07608, covering the use of certain space at Teterboro Airport; and

WHEREAS, the Agreement includes, without limitation thereto, a provision for the guaranty of all the obligations of the User under the Agreement; and

WHEREAS, JET AVIATION HOLDINGS, INC., a Delaware corporation, having an office for the transaction of business at 1515 Perimeter Road, Palm Beach International Airport, West Palm Beach, Florida 33406, and JET AVIATION OF AMERICA, INC., a Maryland corporation, having an office for the transaction of business at
111 Charles A. Lindbergh Drive, Teterboro Airport, Teterboro, New Jersey 07608 (hereinafter collectively called the "Guarantor"), in order to induce the Port Authority to enter into the Agreement with the User, are willing and have offered to guarantee the payment by the User of the fees, charges and all other monetary obligations which the User has or shall have under the Agreement, and to guarantee the performance, fulfillment and observation by the User of all the other terms, provisions and conditions of the Agreement on the part of the User to be performed, fulfilled and observed; and

WHEREAS, this Contract of Guaranty is made in connection with and incidentally to the exercise by the Guarantor of its corporate rights, powers, privileges and franchises, and in fulfillment of its corporate purposes and objects; and

WHEREAS, the entering into the Agreement with the User by the Port Authority will inure to the benefit of the shareholders of the Guarantor;

NOW, THEREFORE, for and in consideration of the foregoing, and as an inducement to the Port Authority to enter into the Agreement with the User, the Guarantor, jointly and severally, hereby covenants and agrees with the Port Authority as follows:

1. The Guarantor hereby absolutely and unconditionally guarantees, promises and agrees that the User will duly and punctually pay all fees, charges and other monetary obligations which it has or shall have under the Agreement, and that the User will faithfully and fully perform, all the other terms, provisions and conditions of the Agreement on the part of the User to be performed, fulfilled and observed.

2. The Guarantor waives and dispenses with all notice of non-payment, non-performance or non-observance, or proof of notice or demand whereby to charge it therefor, and agrees that the validity of this Contract of Guaranty and the obligations of the Guarantor hereunder shall in no way be terminated, affected or impaired by reason of any failure on the part of the Port Authority to insist upon strict performance under the Agreement, or by the assertion by the Port Authority against the User of any of the rights or remedies reserved to the Port Authority under the provisions of the Agreement, or by the institution, prosecution, withdrawal, discontinuance or settlement of any judicial or other proceeding by the Port Authority against the User.

3. The liability of the Guarantor hereunder shall in no way be affected by:

(a) The release or discharge of the User in any creditors', receivership, bankruptcy or other proceedings;

(b) The impairment, limitation or modification of the liability of the User or its estate in bankruptcy, or of any remedy for the enforcement of the User's said liability under the Agreement, resulting from the operation of any present or future provision of the Bankruptcy Code or any other statute or from the decision in any court having jurisdiction over the User or its estate;

(c) The rejection or disaffirmance of the Agreement in any such proceedings;

(d) Any disability of the User; or

(e) Any defense of the User, provided, however, the Guarantor may raise or assert, in an action or proceeding brought by the Port Authority against the Guarantor, any defense

which the User could have raised or asserted in connection with such claim by the Port Authority if the action or proceeding had been brought against the User, other than a defense arising out of, in connection with or as a result of any matters referred to and described in subparagraphs (a), (b), (c) and (d) of this paragraph 3.

4. This Contract of Guaranty shall remain and continue in full force and effect as to any and every modification or extension of the Agreement whether in accordance with the terms of the Agreement or by a separate or additional document, and notwithstanding any such modification or extension.

5. Acceptance of this Contract of Guaranty and reliance thereon by the Port Authority shall be evidenced by the execution of the Agreement by the Port Authority without any further act or notice. If, for any reason, any part of the obligations of the Guarantor hereunder shall be held invalid or unenforceable, the balance of the said obligations shall nevertheless remain in full force and effect. Failure physically to attach a copy of the Agreement to this Contract of Guaranty shall not void, alter or affect this Contract of Guaranty, or alter or amend the obligations of the Guarantor hereunder.

IN WITNESS WHEREOF, the Guarantor has caused these presents to be executed this day 9th of August, 2001.

ATTEST:

Secretary

JET AVIATION HOLDINGS, INC.

By

(Title) President

(Corporate Seal)

ATTEST:

Secretary

JET AVIATION OF AMERICA, INC.

By

(Title) President

(Corporate Seal)

For the Port Authority

INITIALED:

For the User

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

On this 16th day of August, 2001, before me, the subscriber, a notary public of New York, personally appeared William R. DeCota the Director, Aviation Dept of **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY,** who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Peggy M. Spinelli
(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003

STATE OF NEW JERSEY)
)ss.:
COUNTY OF BERGEN)

On this 9 day of AUG, 2001, before me, the subscriber, a NOTARY PUBLIC OF NEW JERSEY, personally appeared TERRANCE P. KELLEY, who I am satisfied is the President of Jet Aviation of America, Inc., the General Partner of **JET AVIATION TETERBORO, L.P.,** the partnership described in and which executed the foregoing instrument, and said General Partner acknowledged that he executed the foregoing instrument for and on behalf of said partnership.

Amelia Tallis
(notarial seal and stamp)

AMELIA TALLIS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 9, 2002