FOI #13476

FOI for LGA Project

July 3, 2012

1. What are the specifics lease terms at Newark airport for the recent FBO lease extension? [Base rent, percentage fees, and other requirements]

2. What specific rights does the FBO operator have at Newark? Do they handle all non-scheduled movements at Newark, including charter, diplomatic and military flights?

3. Does the FBO operator collect flight fees for the Port Authority, and if so do they get a fee for providing this service?

4. Is the FBO operator authorized to collect a minimum facility use fee?

5. What specific investment or fee requirements did the FBO operator at Newark have to make to obtain a 10 year sole source lease extension?

6. Does the lease include a provision for buyout of unamortized investment value at the end of the lease if the current operator is not successful in extending the lease beyond the existing terms?

7. A copy of all executed agreements with Signature for operations at Newark Airport.

8. A breakdown of the type and annual amounts for each type of revenue/fees paid by Signature to the Port Authority by revenue type for the last 3 years. (Fuel flowage; Percentage of total receipts fees; landing fees; etc...)

9. What are the annual gallons of Jet A and Avgas sold through the FBO at Newark over the past 5 years?

10. What are the annual aircraft movements handled by the FBO at Newark over the past 5 years?

THE PORT AUTHORITY OF NY & NJ

Daniel D. Duffy
FOI Administrator

November 15, 2012

Mr. Warren Kroeppel

Re: Freedom of Information Reference No. 13476

Dear Mr. Kroeppel:

This is a response to your July 3, 2012 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy attached) for documents related to FBO at Newark Liberty Internaitonal Airport ("EWR"), copies of all executed agreements with Signature for operations at EWR and a breakdown of the type and annual amounts for each type of revenue/fees paid by Signature to the Port Authority by revenue type for the last three years.

Material responsive to your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/13476-O.pdf. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt from disclosure pursuant to exemptions (1) and (4) of the Code.

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

Very truly yours,

Daniel D. Duffy
FOI Administrator

Attachment

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

GENERAL AVIATION: ANNUAL MOVEMENTS, BY AIRPORT, CLASS

Data Point Select Airport:EWR

	Air Taxi
2002	330
2003	360
2004	449
2005	518
2006	443
2007	536
2008	740
2009	1,550
2010	2,643
2011	2,514
2012	1,281

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

FLIGHT SUPPORT
BBA Aviation

10-Mar-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Jan-10 is as follows:

Permit AN-273

Gas Gallons	222,525	@ .17	$	37,829.25
Oil Gallons	0	@ .21	$	0.00
				37,829.25
TOTAL DUE:				37,829.25

3/11/10

Sincerely,

Accounting Manager
Signature Flight Support Newark

446 of 89

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

10-Mar-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Feb-10 is as follows:

Permit AN-273

Gas Gallons	199,616	@ .17	$	33,934.72
Oil Gallons	0	@ .21	$	0.00
				33,934.72
TOTAL DUE:				33,934.72

Sincerely,

3/11/10

Accounting Manager
Signature Flight Support Newark

44689

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

21-Apr-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

ANA273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Mar-10 is as follows:

Permit AN-273

Gas Gallons	263,905	@ .17	$	44,863.85
Oil Gallons	0	@ .21	$	0.00
				44,863.85
TOTAL DUE:				44,863.85

Sincerely,

Accounting Manager
Signature Flight Support Newark

449808
4/22/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

11-May-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Apr-10 is as follows:

Permit AN-273

Gas Gallons	217,656	@ .17	$	37,001.52
Oil Gallons	0	@ .21	$	0.00
				37,001.52
TOTAL DUE:				37,001.52

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

15-Jun-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

AN A273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of May-10 is as follows:

Permit AN-273

Gas Gallons	272,968	@ .17	$	46,404.56
Oil Gallons	0	@ .21	$	0.00
				46,404.56
TOTAL DUE:				46,404.56

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

12-Jul-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Jun-10 is as follows:

Permit AN-273

Gas Gallons	302,209	@ .17	$	51,375.53
Oil Gallons	0	@ .21	$	0.00
				51,375.53

TOTAL DUE: 51,375.53

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

17-Sep-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Jul-10 is as follows:

AN273

Permit AN-273				
Gas Gallons	218,905	@ .17	$	37,213.85
Oil Gallons	0	@ .21	$	0.00
				37,213.85
TOTAL DUE:				37,213.85

9/16/10

Sincerely,

Accounting Manager
Signature Flight Support Newark

462599

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

17-Sep-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir: ANA273

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Aug-10 is as follows:

Permit AN-273

Gas Gallons	197,455	@ .17	$	33,567.35
Oil Gallons	0	@ .21	$	0.00
				33,567.35

TOTAL DUE: 33,567.35

Sincerely,

Anabela

Accounting Manager
Signature Flight Support Newark

462710

9/20/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

21-Oct-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Sep-10 is as follows:

Permit AN-273

Gas Gallons	300,685	@ .17	$	51,116.45
Oil Gallons	0	@ .21	$	0.00
				51,116.45
TOTAL DUE:				51,116.45

Sincerely,

Accounting Manager
Signature Flight Support Newark

10/21/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

18-Nov-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Oct-10 is as follows:

Permit AN-273

Gas Gallons	266,654	@ .17	$	45,331.18
Oil Gallons	0	@ .21	$	0.00
				45,331.18
TOTAL DUE:				45,331.18

Sincerely,

Accounting Manager
Signature Flight Support Newark

11/19/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

18-Nov-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Oct-10

Gross Receipts:		$ 1,852,350.34
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,468,758.22	
Subtotal:		1,468,758.22
Net Applicable Receipts:		$ 383,592.12
Concession Fee Rate:		x .15
TOTAL DUE:		57,538.82

Sincerely,

Accounting Manager
Signature Flight Support Newark

11/18/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

16-Dec-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Nov-10 is as follows:

Permit AN-273

Gas Gallons	256,288	@ .17	$	43,568.96
Oil Gallons	0	@ .21	$	0.00
				43,568.96
TOTAL DUE:				43,568.96

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature.
FLIGHT SUPPORT
BBA Aviation

19-Jan-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Dec-10 is as follows:

Permit AN-273

Gas Gallons	442,949	@ .17	$	75,301.33
Oil Gallons	0	@ .21	$	0.00
				75,301.33
TOTAL DUE:				75,301.33

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature.
FLIGHT SUPPORT
BBA Aviation

17-Feb-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Jan-11 is as follows:

Permit AN-273

Gas Gallons	266,640	@ .18	$	47,995.20
Oil Gallons	0	@ .21	$	0.00
				47,995.20

TOTAL DUE: 47,995.20

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature.
FLIGHT SUPPORT
BBA Aviation

23-Mar-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Feb-11 is as follows:

Permit AN-273

Gas Gallons	242,114	@ .18	$	43,580.52
Oil Gallons	0	@ .22	$	0.00
				43,580.52
TOTAL DUE:				43,580.52

Sincerely,

Accounting Manager
Signature Flight Support Newark

480268

3/23/11

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature.
FLIGHT SUPPORT
BBA Aviation

20-Apr-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Mar-11 is as follows:

Permit AN-273

Gas Gallons	277,847	@ .18	$	50,012.46
Oil Gallons	0	@ .22	$	0.00
				50,012.46

TOTAL DUE: 50,012.46

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

09-May-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Apr-11 is as follows:

Permit AN-273

Gas Gallons	191,178	@ .18	$	34,412.04
Oil Gallons	0	@ .22	$	0.00
				34,412.04

TOTAL DUE: 34,412.04

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature.
FLIGHT SUPPORT
BBA Aviation

23-Jun-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of May-11 is as follows:

Permit AN-273

Gas Gallons	320,713	@ .18	$	57,728.34
Oil Gallons	0	@ .22	$	0.00
				57,728.34
TOTAL DUE:				57,728.34

Sincerely,

Arabela D

Accounting Manager
Signature Flight Support Newark

7/15/11

49897

3177 Vendor Number

0000451282 Check Number

Location	Invoice Number	Invoice Date	Invoice Amount
SFS-007-BHR	CONCFEES.0611.007.15	7/21/2011	52,313.61
SFS-262-THB	CONCFEES.0611.262	7/08/2011	136,571.00

ANA273 June 2011

$ 52,313.61

$ 348,757.43

@ 7/19/2011

Location	Invoice Number	Invoice Date	Invoice Amount
SFS-007-BHR	CONCFEES.0611.007.18	7/21/2011	59,833.98
ASI-569-JFKC	158299	12/14/2007	350.00-

June 2011

ANA273

$59,833.98

GAS Gallons

$332,411

@ 7/19/2011

ASI - Aircraft Service International
BBA - BBA Aviation
EBC - Executive Beechcraft Charters, Inc.
EBE - Executive Beechcraft, Inc.
SFS - Signature Flight Support
SSI - BBA Aviation USA, Inc.

Total Amount Due
248,368.59

A/P Help Desk (407) 648-7272

THIS IS WATERMARKED PAPER - DO NOT ACCEPT WITHOUT NOTING WATERMARK - HOLD TO LIGHT TO VERIFY WATERMARK

BBA Aviation

BBA Aviation USA, Inc.
201 S. Orange Avenue
Suite 1100
Orlando, FL 32801
(407) 648-7200

Citibank Delaware
One Penn's Way
New Castle DE 19720

62-20
311

Issue Date	Check Number	Pay Exactly
7/21/2011	0000451282	$****248,368.59

Pay Exactly Two Hundred Forty-Eight Thousand Three Hundred Sixty-Eight and 59/100 DOLLARS

Not Valid Over 60 Days
Two Signatures Required Over $5,000.00

Authorized Representative

Authorized Representative

To The Order Of
PORT AUTHORITY OF NY & NJ
P.O. BOX 95000-1517
PHILADELPHIA PA 19195

⑈0000451282⑈ ⑆031100209⑆ 3871297 8⑈

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

13-Sep-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Jul-11 is as follows:

Permit AN-273

Gas Gallons	259,040	@ .18	$	46,627.20
Oil Gallons	0	@ .22	$	0.00
				46,627.20
TOTAL DUE:				46,627.20

Sincerely,

Accounting Manager
Signature Flight Support Newark

#497473
94,630.05
9/13/11

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

13-Sep-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Aug-11 is as follows:

Permit AN-273

Gas Gallons	174,890	@ .18	$	31,480.20
Oil Gallons	0	@ .22	$	0.00
				31,480.20
TOTAL DUE:				31,480.20

Sincerely,

Accounting Manager
Signature Flight Support Newark

#497474
$66,196.50
9/13/11

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

17-Nov-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Sep-11

Gross Receipts:		$ 3,506,797.33
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$3,007,419.67	
Subtotal:		3,007,419.67
Net Applicable Receipts:		$ 499,377.66
Concession Fee Rate:		x .15
TOTAL DUE:		74,906.65

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

17-Nov-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Oct-11

Gross Receipts:		$ 2,201,144.15
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,873,680.36	
Subtotal:		1,873,680.36
Net Applicable Receipts:		$ 327,463.79
Concession Fee Rate:		x .15
TOTAL DUE:		49,119.57

Sincerely,

Anabela

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

26-Dec-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Nov-11

Gross Receipts:		$ 2,652,066.01
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$2,187,251.84	
Subtotal:		2,187,251.84
Net Applicable Receipts:		$ 464,814.17
Concession Fee Rate:		x .15
TOTAL DUE:		69,722.13

Sincerely,

Arabella

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

26-Dec-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Dec-11

Gross Receipts:		$ 2,208,807.92
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,812,799.90	
Subtotal:		1,812,799.90
Net Applicable Receipts:		$ 396,008.02
Concession Fee Rate:		x .15
TOTAL DUE:		59,401.20

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT

17-Feb-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Jan-12 is as follows:

Permit AN-273

Gas Gallons	250,807	@ .21	$	52,669.47
Oil Gallons	0	@ .25	$	0.00
				52,669.47
TOTAL DUE:				52,669.47

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature. FLIGHT SUPPORT

23-Mar-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Feb-12 is as follows:

Permit AN-273

Gas Gallons	218,382	@ .21	$	45,860.22
Oil Gallons	0	@ .25	$	0.00
				45,860.22
TOTAL DUE:				45,860.22

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT

04-Jun-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Mar-12 is as follows:

Permit AN-273

Gas Gallons	333,401	@ .21	$	70,014.21
Oil Gallons	0	@ .25	$	0.00
				70,014.21
TOTAL DUE:				70,014.21

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT

04-Jun-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Apr-12 is as follows:

Permit AN-273

Gas Gallons	266,233	@ .21	$	55,908.93
Oil Gallons	0	@ .25	$	0.00
				55,908.93
TOTAL DUE:				55,908.93

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT

21-Jun-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of May-12 is as follows:

Permit AN-273

Gas Gallons	328,685	@ .21	$	69,023.85
Oil Gallons	0	@ .25	$	0.00
				69,023.85
TOTAL DUE:				69,023.85

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature FLIGHT SUPPORT
BBA Aviation

Corporate Headquarters
201 South Orange Ave, Ste 1100
Orlando, FL 32801
T +1 407 206 5281
F +1 407 563 9201

7/12/2012

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of June 2012 is as follows:

Permit AN-273

Gas Gallons	414,262	@ .21	$	86,995.02
Oil Gallons	-	@ .25	$	-
				86,995.02
TOTAL DUE:				86,995.02

Sincerely,

Dasha Salling
Concession Fee Accountant
BBA Aviation

Signature
FLIGHT SUPPORT
BBA Aviation

Corporate Headquarters
201 South Orange Ave, Ste 1100
Orlando, FL 32801
T +1 407 206 5281
F +1 407 563 9201

8/14/2012

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of July 2012 is as follows:

Permit AN-273

Gas Gallons	252,453	@ .21	$	53,015.13
Oil Gallons	-	@ .25	$	-
				53,015.13
TOTAL DUE:				53,015.13

Sincerely,

Dasha Salling
Concession Fee Accountant
BBA Aviation

Signature
FLIGHT SUPPORT
BBA Aviation

Corporate Headquarters
201 South Orange Ave, Ste
1100
Orlando, FL 32801
T +1 407 206 5281
F +1 407 563 9201

September 1, 2012

The Port Authorityof NY & New Jersey
Attn: Revenue Accounting Supervisor
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of August 2012 is as follows:

Permit AN-273

AN 273 -- 40 Gallon
AN 273 - 30 gross

Gas Gallons	169,420	@ .21	35,578.20
Oil Gallons	0.50	@ .25	0.13
			35,578.33
Total Due:			$ 35,578.33

Sincerely,

Erin Hutto
Erin Hutto
Sr. Concession Fee Accountant

Signature
FLIGHT SUPPORT
BBA Aviation

Corporate
201 South Orange
Orla
T +1
F +1

October 10, 2012

The Port Authorityof NY & New Jersey
Attn: Revenue Accounting Supervisor
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

RE: Permit AN 273

Dear Sir:

AnA273

In accordance with the provisions of our operating agreement with you, our report fo SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of September 2012 is as follows:

Permit AN-273

Gas Gallons	357,986	@ .21	75,177.06
Oil Gallons	3.00	@ .25	0.75
			75,177.81

Total Due: $ 75,177.81

Sincerely,

Dasha Salling
Dasha Salling
Concession Fee Accountant

$ 144,619.31
#535596
10/17/12

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

10-Mar-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

ANA273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Jan-10

Gross Receipts:		$ 1,646,382.50
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,251,340.23	

Subtotal:	1,251,340.23
Net Applicable Receipts:	$ 395,042.27
Concession Fee Rate:	x .15
TOTAL DUE:	59,256.34

Sincerely,

Accounting Manager
Signature Flight Support Newark

3/11/10
446489

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

10-Mar-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Feb-10

Gross Receipts:		$ 1,471,333.51
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,008,595.25	

Subtotal:	1,008,595.25
Net Applicable Receipts:	$ 462,738.26
Concession Fee Rate:	x .15
TOTAL DUE:	69,410.74

Sincerely,

Accounting Manager
Signature Flight Support Newark

3/11/10

446487

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

21-Apr-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Mar-10

Gross Receipts:		$ 1,915,969.30
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,428,576.44	

Subtotal:	1,428,576.44
Net Applicable Receipts:	$ 487,392.86
Concession Fee Rate:	x .15
TOTAL DUE:	73,108.93

Sincerely,

Anabela

Accounting Manager
Signature Flight Support Newark

449808
5/27/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

11-May-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Apr-10

Gross Receipts:		$ 1,573,661.50
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,258,121.19	

Subtotal:	1,258,121.19
Net Applicable Receipts:	$ 315,540.31
Concession Fee Rate:	x .15
TOTAL DUE:	47,331.05

Sincerely,

Accounting Manager
Signature Flight Support Newark

451797
$84,332.57

5/12/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

15-Jun-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

ANA273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of May-10

Gross Receipts:		$ 1,867,938.12
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,570,043.36	

Subtotal:	1,570,043.36
Net Applicable Receipts:	$ 297,894.76
Concession Fee Rate:	x .15
TOTAL DUE:	44,684.21

Sincerely,

Accounting Manager
Signature Flight Support Newark

4546/10 6/17/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

12-Jul-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Jun-10

Gross Receipts:		$ 2,054,318.00
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,705,228.65	

Subtotal:	1,705,228.65
Net Applicable Receipts:	$ 349,089.35
Concession Fee Rate:	x .15
TOTAL DUE:	52,363.40

Sincerely,

Arabella

Accounting Manager
Signature Flight Support Newark

45346

7/13/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

17-Sep-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Jul-10

Gross Receipts:		$ 1,445,298.28
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,195,943.20	

Subtotal:	1,195,943.20
Net Applicable Receipts:	$ 249,355.08
Concession Fee Rate:	x .15
TOTAL DUE:	37,403.26

Sincerely,

Isabela J

Accounting Manager
Signature Flight Support Newark

9/16/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

FLIGHT SUPPORT
BBA Aviation

17-Sep-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Aug-10

Gross Receipts:		$ 1,285,828.14
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,056,326.06	

Subtotal:	1,056,326.06
Net Applicable Receipts:	$ 229,502.08
Concession Fee Rate:	x .15
TOTAL DUE:	34,425.31

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

21-Oct-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Sep-10

Gross Receipts:		$ 1,976,394.78
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,619,525.31	
Subtotal:		1,619,525.31
Net Applicable Receipts:		$ 356,869.47
Concession Fee Rate:		x .15
TOTAL DUE:		53,530.42

Sincerely,

Accounting Manager
Signature Flight Support Newark

10/21/10
465991

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature.
FLIGHT SUPPORT
BBA Aviation

18-Nov-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Oct-10

Gross Receipts:		$ 1,852,350.34
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,468,758.22	
Subtotal:		1,468,758.22
Net Applicable Receipts:		$ 383,592.12
Concession Fee Rate:		x .15
TOTAL DUE:		57,538.82

30

Sincerely,

Accounting Manager
Signature Flight Support Newark

10

4686.10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

16-Dec-10

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Nov-10

ANA 273

Gross Receipts:		$ 1,798,189.57
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,416,796.05	
Subtotal:		1,416,796.05
Net Applicable Receipts:		$ 381,393.52
Concession Fee Rate:		x .15
TOTAL DUE:		57,209.03

Sincerely,

Accounting Manager
Signature Flight Support Newark

471269

12/17/10

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

19-Jan-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Dec-10

Gross Receipts:		$ 3,054,368.80
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$2,483,867.68	
Subtotal:		2,483,867.68
Net Applicable Receipts:		$ 570,501.12
Concession Fee Rate:		x .15
TOTAL DUE:		85,575.17

Sincerely,

Accounting Manager
Signature Flight Support Newark

2/7/11

47072

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

17-Feb-11

Signature.
FLIGHT SUPPORT
BBA Aviation

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Jan-11

Gross Receipts:		$ 2,217,694.25
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,544,693.83	
Subtotal:		1,544,693.83
Net Applicable Receipts:		$ 673,000.42
Concession Fee Rate:		x .15
TOTAL DUE:		100,950.06

Sincerely,

Accounting Manager
Signature Flight Support Newark

480222
3/22/11

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

23-Mar-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Feb-11

Gross Receipts:		$ 1,987,062.21
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,391,602.53	
Subtotal:		1,391,602.53
Net Applicable Receipts:		$ 595,459.68
Concession Fee Rate:		x .15
TOTAL DUE:		89,318.95

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

20-Apr-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Mar-11

Gross Receipts:		$ 2,341,813.30
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,760,826.16	
Subtotal:		1,760,826.16
Net Applicable Receipts:		$ 580,987.14
Concession Fee Rate:		x .15
TOTAL DUE:		87,148.07

Sincerely,

484102

4/27/11

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

09-May-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

ANA 273
485395

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Apr-11

Gross Receipts:		$ 1,550,243.57
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,229,425.73	
Subtotal:		1,229,425.73
Net Applicable Receipts:		$ 320,817.84
Concession Fee Rate:		x .15
TOTAL DUE:		48,122.68

Sincerely,

Accounting Manager
Signature Flight Support Newark

5/9/11

Signature Flight Support
Newark Liberty International Airport
Hanger 15
Newark, New Jersey 07114
Tel 973.624.1660
Fax 973.624.0320

Signature. FLIGHT SUPPORT
BBA Aviation

23-Jun-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir;
The following is in accordance with the above-mentioned permit for the month of May-11.

Gross Receipts:	$ 2,403,194.86
Less:	
(Permits AN-273)	
Fuel & Oil Sales:	$2,033,560.53
Subtotal:	2,033,560.53
Net Applicable Receipts:	$ 369,634.33
Concession Fee Rate:	x .15
TOTAL DUE:	55,445.15

Sincerely,

Arabela J

Accounting Manager
Signature Flight Support Newark

3177 Vendor Number

0000451282 Check Number

Location	Invoice Number	Invoice Date	Invoice Amount
SFS-007-BHR	CONCFBBS.0611.007.15	7/21/2011	52,313.61
SFS-262-TEB	CONCFBBS.0611.262	7/08/2011	136,571.00

ANA273 June 2011

$ 52,313.61

Gross receipts

$ 348,757.43

ⓓ 7/19/2011

Location	Invoice Number	Invoice Date	Invoice Amount
SFS-007-BHR	CONCFBBS.0611.007.18	7/21/2011	59,833.98
ASI-569-JFKC	158299	12/14/2007	350.00-

June 2011

ANA273

$59,833.98

Gasn Gallons

$332,411

ⓓ 7/19/2011

ASI - Aircraft Service International
BBA - BBA Aviation
EBC - Executive Beechcraft Charters, Inc.
EBE - Executive Beechcraft, Inc.
SFS - Signature Flight Support
SSI - BBA Aviation USA, Inc.

A/P Help Desk (407) 648-7272

Total Amount Due
248,368.59

THIS IS WATERMARKED PAPER - DO NOT ACCEPT WITHOUT NOTING WATERMARK - HOLD TO LIGHT TO VERIFY WATERMARK

BBA Aviation

BBA Aviation USA, Inc.
201 S. Orange Avenue
Suite 1100
Orlando, FL 32801
(407) 648-7200

Citibank Delaware
One Penn's Way
New Castle DE 19720

02-20
311

Issue Date: 7/21/2011 Check Number: 0000451282 Pay Exactly: $****248,368.59

Pay Exactly: Two Hundred Forty-Eight Thousand Three Hundred Sixty-Eight and 59/100 DOLLARS

Not Valid Over 60 Days
Two Signatures Required Over $5,000.00

To The Order Of: PORT AUTHORITY OF NY & NJ
P.O. BOX 95000-1517
PHILADELPHIA PA 19195

Authorized Representative

Authorized Representative

⑈0000451282⑈ ⑆031100209⑆ 3871297 8⑈

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

13-Sep-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Jul-11

Gross Receipts:		$ 1,961,422.60
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,641,403.58	
Subtotal:		1,641,403.58
Net Applicable Receipts:		$ 320,019.02
Concession Fee Rate:		x .15
TOTAL DUE:		48,002.85

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

13-Sep-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Aug-11

Gross Receipts:		$ 1,313,133.10
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,081,691.10	
Subtotal:		1,081,691.10
Net Applicable Receipts:		$ 231,442.00
Concession Fee Rate:		x .15
TOTAL DUE:		34,716.30

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

17-Nov-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

ANA273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Sep-11 is as follows:

Permit AN-273

Gas Gallons	460,033	@ .18	$	82,805.94
Oil Gallons	0	@ .22	$	0.00
				82,805.94
TOTAL DUE:				82,805.94

Sincerely,

Accounting Manager
Signature Flight Support Newark

$157,712.54
#50674
12/14/11

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

17-Nov-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Oct-11 is as follows:

Permit AN-273

Gas Gallons	295,214	@ .18	$	53,138.52
Oil Gallons	0	@ .22	$	0.00
				53,138.52
TOTAL DUE:				53,138.52

Sincerely,

Anabeln

Accounting Manager
Signature Flight Support Newark

#506933
$102,258.09
12/13/11

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT
BBA Aviation

26-Dec-11

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Nov-11 is as follows:

Permit AN-273

Gas Gallons	329,767	@ .18	$	59,358.06
Oil Gallons	0	@ .22	$	0.00
				59,358.06
TOTAL DUE:				59,358.06

Sincerely,

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark Liberty International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature
FLIGHT SUPPORT
BBA Aviation

13-Jan-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

Attn: Revenue Accounting Supervisor

RE: Permit AN 273

Dear Sir:

In accordance with the provisions of our operating agreement with you, our report for SIGNATURE FLIGHT FLIGHT SUPPORT - NEWARK for the month of Dec-11 is as follows:

Permit AN-273

Gas Gallons	277,716	@ .18	$	49,988.88
Oil Gallons	0	@ .22	$	0.00
				49,988.88
TOTAL DUE:				49,988.88

Sincerely,

Anabela

Accounting Manager
Signature Flight Support Newark

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

26-Dec-11

Signature FLIGHT SUPPORT

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Jan-12

Gross Receipts:		$ 2,071,462.88
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,601,465.70	

Subtotal:	1,601,465.70
Net Applicable Receipts:	$ 469,997.18
Concession Fee Rate:	x .15
TOTAL DUE:	70,499.58

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

26-Dec-11

Signature FLIGHT SUPPORT

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Feb-12

Gross Receipts:		$ 1,861,056.98
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,425,181.61	

Subtotal:	1,425,181.61
Net Applicable Receipts:	$ 435,875.37
Concession Fee Rate:	x .15
TOTAL DUE:	65,381.31

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT

04-Jun-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Mar-12

Gross Receipts:		$ 2,819,984.30
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$2,280,460.99	
Subtotal:		2,280,460.99
Net Applicable Receipts:		$ 539,523.31
Concession Fee Rate:		x .15
TOTAL DUE:		80,928.50

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT

04-Jun-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of Apr-12

Gross Receipts:		$ 1,575,878.93
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$1,254,647.98	
Subtotal:		1,254,647.98
Net Applicable Receipts:		$ 321,230.95
Concession Fee Rate:		x .15
TOTAL DUE:		48,184.64

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature Flight Support
Newark International Airport
Hangar 15
Newark, New Jersey 07114

Tel 973.624.1660
Fax 973.624.0320

Signature FLIGHT SUPPORT

21-Jun-12

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of May-12

Gross Receipts:		$ 2,518,912.44
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$2,130,935.51	
Subtotal:		2,130,935.51
Net Applicable Receipts:		$ 387,976.93
Concession Fee Rate:		x .15
TOTAL DUE:		58,196.54

Sincerely,

Accounting Manager
Signature Flight Support Newark

BBA AVIATION

Signature
FLIGHT SUPPORT
BBA Aviation

Corporate Headquarters
201 South Orange Ave, Ste 1100
Orlando, FL 32801
T +1 407 206 5281
F +1 407 563 9201

7/12/2012

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of June 2012.

Gross Receipts:		$ 2,981,306.19
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$ 2,551,662.33	
Subtotal:		$ 2,551,662.33
Net Applicable Receipts:		$ 429,643.86
Concession Fee Rate:		x .15
TOTAL DUE:		$ 64,446.58

Sincerely,

Dasha Salling
Concession Fee Accountant
BBA Aviation

Signature
FLIGHT SUPPORT
BBA Aviation

Corporate Headquarters
201 South Orange Ave, Ste 1100
Orlando, FL 32801
T +1 407 206 5281
F +1 407 563 9201

8/14/2012

The Port Authorityof NY & New Jersey
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517
Attn: Revenue Accounting Supervisor

RE: Permit ANA 273

Dear Sir:
The following is in accordance with the above-mentioned permit for the month of July 2012.

Gross Receipts:		$ 1,876,046.55
Less:		
(Permits AN-273)		
Fuel & Oil Sales:	$ 1,556,426.64	
Subtotal:		$ 1,556,426.64
Net Applicable Receipts:		$ 319,619.91
Concession Fee Rate:		x .15
TOTAL DUE:		$ 47,942.99

Sincerely,

Dasha Salling
Concession Fee Accountant
BBA Aviation

Signature FLIGHT SUPPORT
BBA Aviation

Corporate Headquarters
201 South Orange Ave, Ste 1100
Orlando, FL 32801
T +1 407 206 5281
F +1 407 563 9201

September 1, 2012

The Port Authorityof NY & New Jersey
Attn: Revenue Accounting Supervisor
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

RE: Permit AN 273

Dear Sir:

The following is in accordance with the above-mentioned permit for the month of August 2012:

Gross Receipts:	1,348,013.67
Less:	
(Permits AN-273)	
Fuel & Oil Sales:	(1,087,815.71)
Net Applicable Receipts:	260,197.96
Concession Fee Rate:	15%
Total Due:	$ 39,029.69

Sincerely,

Erin Hutto
Sr. Concession Fee Accountant

Signature
FLIGHT SUPPORT
BBA Aviation

Corporate Headquarters
201 South Orange Ave, Ste 1100
Orlando, FL 32801
T +1 407 206 5281
F +1 407 563 9201

October 10, 2012

The Port Authorityof NY & New Jersey
Attn: Revenue Accounting Supervisor
P.O. Box 95000 - 1517
Philadelphia, PA 19195 - 1517

RE: Permit AN 273

Dear Sir:

ANA273

The following is in accordance with the above-mentioned permit for the month of September 2012:

Gross Receipts:	2,923,884.55
Less: (Permits AN-273) Fuel & Oil Sales:	(2,460,941.19)
Net Applicable Receipts:	462,943.36
Concession Fee Rate:	15%
Total Due:	$ 69,441.50

Sincerely,

Dasha Salling

Dasha Salling
Concession Fee Accountant

TABLE OF CONTENTS

BUTLER AVIATION - NEWARK, INC. ANA-273

SECTION 1. Letting....1
" 2. Construction by the Lessee....2
" 3. Term....20
" 4. Rentals and Fees....20
" 5. Use of Premises....29
" 6. Obligations in Connection with the Conduct Lessee's Business....37
" 7. Federal Airport Aid....38
" 8. Sales and Services....38
" 9. Ingress and Egress....40
" 10. Compliance with Governmental Requirements.. 41
11. Rules and Regulations....42
" 12. Various Obligations of the Lessee....42
" 13. Prohibited Acts....46
" 14. Care, maintenance, Rebuilding and Repair by the Lessee....49
" 15. Insurance....51
" 16. Damage to or Destruction of Premises....53
" 17. Indemnity and Liability Insurance....54
" 18. Signs....57
" 19. Obstruction Lights....57
" 20. Additional Rent and Charges....58
" 21. Rights of Entry Reserved....58
" 22. Other Construction by the Lessee....60
" 23. Assignment and Sublease....61
" 24. Condemnation....62
" 25. Termination by the Port Authority....67
" 26. Right of Re-entry....69
" 27. Waiver of Redemption....69
" 28. Survival of the Obligations of the Lessee...70
" 29. Reletting by the Port Authority....72
" 30. Remedies to be Non-Exclusive....72
" 31. Surrender....73
" 32. Acceptance of Surrender of Lease....73
" 33. Effect of Basic Lease....73
" 34. Removal of Property....73
" 35. Brokerage....74
" 36. Limitation of Rights and Privileges Granted.74
" 37. Notices....74
" 38. Facilities Non-Discrimination....75
" 39. Affirmative Action....76
" 40. The Lessee's On-Going Affirmative Action-Equal Opportunity Commit 77
" 41. Place of Payments....78
" 42. Construction and Application of Terms....78
" 43. Non-liability of Individuals....79
" 44. No Services by the Port Authority....79
" 45. Outside Utility Lines....79
" 46. Automobile Parking....79
" 47. Contract of Guaranty....80

" 48. Operation of Snack Bar and Coffee Shop.....80
" 49. Definitions.....82
" 50. The Aircraft Fueling Service.....85
" 51. Relationship of the Parties.....86
" 52. Existing Sublease Agreements.....87
" 53. Quiet Enjoyment.....87
" 54. Labor Harmony Obligation.....88
" 55. Late Charges.....89
" 56. Non-Exclusivity.....90
" 57. Additional Right of Termination of the Port Authority.....90
" 58. Surrender of Prior Leases.....91
" 59. Entire Agreement.....91
EXHIBIT A.....# of pages.....1
Schedule A # of pages.....5
Exhibit B.....6
Exhibit C.....4
Exhibit D.....5
Exhibit E.....3
Schedule E.....9

BAN 273-187

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

AVIATION DEPT.
FILE COPY

Lease No. ANA-273

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made effective the 1st day of January, 1986, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), a body corporate and politic, established 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 1 World Trade Center, in the Borough of Manhattan, City, County and State of New York, and BUTLER AVIATION-NEWARK, INC. (hereinafter called "the Lessee"), a corporation of the State of New Jersey and having an office and place of business at 110 Summit Avenue, P.O. Box 460, Montvale, New Jersey 07645, whose representative is Thomas F. Comeau, its Executive Vice-President.

WITNESSETH, That:

The Port Authority and the Lessee for and in consideration of the rents, covenants and mutual agreements hereinafter contained, hereby covenant and agree as follows:

Section 1. Letting

(a) The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at Newark International Airport (sometimes hereinafter referred to as "the Airport"), the following: The land shown in stipple on the drawing attached hereto, hereby made a part hereof and marked "Exhibit A", sometimes hereinafter referred to as the "site"; together with the aircraft hangar building located thereon and known as Hangar 12 and together with the fixtures, improvements and other property of the Port Authority located thereon or thereunder, and all structures, improvements, additions, buildings and facilities located, constructed or installed or to be located, constructed or installed therein, thereon or thereunder, all of the foregoing being hereinafter collectively referred to as "the premises". It is acknowledged and agreed

that the premises under the Lease constitute non-residential real property.

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the air space above the premises more than 168.6 feet above mean sea level at Sandy Hook, New Jersey, as established by the United States Coast and Geodetic Survey.

Section 2. Construction by the Lessee

(a) The Lessee shall, prior to its submission to the Port Authority of the plans and specifications hereinafter provided for, submit to the Port Authority for its consent, the Lessee's comprehensive plan for the development of the site, including but not limited to renderings, layouts, locations, models, estimated commencement and completion dates, and preliminary functional plans.

Without limiting the above, the Lessee agrees that said comprehensive plan shall include the construction on and under the site of:

(i) An aircraft hangar building including office and shop space consisting of approximately 58,000 square feet of floor space, the foregoing building, together with all associated and related areas and related facilities, being sometimes hereinafter called, the "New Hangar Building",

(ii) All appropriate lines, pipes, 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 Hangar Facilities, including all necessary relocations, the foregoing being hereinafter called "the Utility Lines",

(iii) All necessary ground and elevated roadways and ramps and pedestrian circulation areas, the foregoing roadways, ramps and circulation areas, together with all associated and related areas and facilities, being hereinafter called "the Circulation Areas",

(iv) All necessary aircraft ramp and apron areas, the foregoing ramp and apron areas, together with all associated and related areas and facilities, being hereinafter called "the Ramp and Apron Areas",

(v) Appropriate landscaping, the foregoing landscaping, together with all associated and related areas, being hereinafter called "the Landscaping",

(vi) The demolition of all existing buildings, improvements and structures on the site.

(vii) All taxiways, the foregoing taxiways, together with all associated and related areas and facilities, being hereinafter called "the Exclusive Taxiways".

All of the foregoing work shall be constructed by the Lessee on the site and off the site where required, and where constructed on the site shall be and become a part of the premises under the Lease and is sometimes referred to herein as the "New Hangar Facilities ".

The Lessee shall keep the comprehensive plan covered by this paragraph (a) up to date and shall submit to the Port Authority for its prior approval any amendment, revision or modification thereof.

(b) (1) The Lessee agrees at its sole cost and expense to design and to construct the New Hangar Facilities, such design and construction being sometimes hereinafter collectively referred to as "the construction work".

(2) Prior to the commencement of the construction work, the Lessee shall submit to the Port Authority for the Port Authority's approval complete plans and specifications therefor. The Port Authority may refuse to grant approval with respect to construction work if, in its opinion, any of the proposed construction work as set forth in said plans and specifications (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) shall:

(i) Be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed, or

(ii) Not comply with the Port Authority's requirements for harmony of external architecture of similar existing or future improvements at the Airport, or

(iii) Not comply with the Port Authority's requirements with respect to external and interior building materials and finishes of similar existing or future improvements at the Airport, or

(iv) Not provide for sufficient clearances for taxiways, runways and apron areas, or

(v) Be designed for use for purposes other than those authorized under the Agreement, or

(vi) Set forth ground elevations or heights other than those prescribed by the Port Authority, or

(vii) Not provide adequate and proper circulation areas, or

(viii) Not be at locations or not be oriented in accordance with the Lessee's approved comprehensive plan, or

(ix) Not comply with the provisions of the Basic Lease, including without limiting the generality thereof, those provisions of the Basic Lease providing that the Port Authority will conform to the enactments, ordinances, resolutions and regulations of the City of Newark and its various departments, boards and businesses in regard to the 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 so to do, or

(x) Permit aircraft to overhang the boundary of the premises, except when entering or leaving the premises, or

(xi) Be in violation or contravention of any other provisions and terms of this Agreement, or

(xii) Not comply with all applicable governmental laws, ordinances, enactments, resolutions, rules and orders, or

(xiii) Not comply with all applicable requirements of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New Jersey, or

(xiv) Not comply with the Port Authority's requirements with respect to landscaping, or

(xv) Not comply with Port Authority's requirements and standards with respect to noise, air pollution, water pollution or other types of pollution, or

(xvi) Not comply with the construction limitations set forth in Exhibit A.

(xvii) Not comply with the American National Standard Specifications for Buildings and Facilities-Providing Accesibility and Usabilitiy for Physically Handicapped People, ANSI A117.1-1986.

(c) All construction work shall be done in accordance with the following terms and conditions:

(1) The Lessee 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 Lessee 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 Lessee 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 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, direct or consequential, whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third persons, or from acts of God or of the public enemy, or otherwise, (including claims of the City of Newark against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims), excepting only claims and demands which result solely from affirmative wilful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the construction work.

If so directed, the Lessee 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 written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal, 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.

(2) Prior to engaging or retaining an architect or architects for the construction work, the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. 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 Lessee shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications by the Port Authority, the Lessee shall proceed diligently at its sole cost and expense to perform the construction work. All construction work, including workmanship and materials, shall be of first class quality. The Lessee shall re-do, replace or construct at its own cost and expense, any construction work not done in accordance with the approved plans and specifications, the provisions of this Section 2 or any further requirements of the Port Authority. The Lessee shall expend not less than Five Million Five Hundred Thousand Dollars ($5,500,000) with respect to the construction work. The Lessee shall complete the construction work no later than December 31, 1988.

(3) Prior to entering into a contract for any part of the construction work, the Lessee shall submit to the Port Authority for its approval the names of the contractors to whom the Lessee proposes to award said contracts. The Port Authority shall have the right to disapprove any contractor who may be unacceptable to it. The Lessee shall include in all such contracts such provisions and conditions as may be reasonably required by the Port Authority. Without limiting the generality of the foregoing all of the Lessee's construction contracts shall provide as follows: "If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee 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 Lessee 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 arises out of or in connection with the Contract or if in the Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee 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 Lessee 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 Lessee 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 Lessee 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 Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise, or attempted exercise of, or omission to exercise such rights by the Lessee 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 Lessee under this provision."

The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to start of the construction work.

(4) The Lessee shall furnish or require its architect to furnish a full time resident engineer during the construction period. The Lessee 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 Lessee 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 that the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by the Lessee or the incorporation therein of 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 Lessee or for any other matter in connection therewith and the Lessee 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 construction work pursuant to the contracts between the Lessee and its contractors. Any warranties contained in any construction contract entered into by the Lessee for the performance of the construction work hereunder shall be for the benefit of the Port Authority as well as the Lessee.

(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.

(7) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of "as built" microfilm drawings of the construction work mounted on aperture cards, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Lease being hereby acknowledged by the Lessee), and the Lessee shall during the term of this Lease keep said drawings current showing thereon any changes or modifications which may be made. (No changes or modifications shall be made without prior Port Authority consent.)

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

(9) Title to any soil, dirt, sand or other matter (hereinafter in this item (9) collectively called "the matter") excavated by the Lessee during the course of the construction work shall vest in the Port Authority and the matter shall be delivered by the Lessee at its expense to any location (on or off the Airport) as may be designated by the Port Authority. The entire proceeds, if any, of the sale or other disposition of the matter shall belong to the Port Authority. Notwithstanding the foregoing the Port Authority may elect by prior written notice to the Lessee to waive title to all or portions of the matter in which event the Lessee at its expense shall dispose of the same without further instruction from the Port Authority.

(10) The Lessee shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, 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 Lessee to contest any claim of a contractor, subcontractor,

materialman, workman and/or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this Section unless and until the same shall have been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall, keep the Port Authority fully informed of its actions with respect thereto. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the premises nor to create any rights in said third persons against the Port Authority.

(11) The Lessee in its own name as assured and including the Port Authority as an additional assured shall procure and maintain comprehensive general liability insurance, including automotive, (covering owned, hired and non-owned vehicles) including but not limited to premises-operations, products-completed operations, explosion, collapse and underground property damages, personal injury and independent contractors, with a contractual liability endorsement covering the obligations assumed by the Lessee pursuant to subparagraphs (1) and (5) of this paragraph (c) which shall be in addition to all policies of insurance otherwise required by this Agreement or the Lessee 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, whether procured by the Lessee or by a contractor engaged by it as aforesaid, not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, and that said protections shall also pertain and apply with respect to any claim or action against the Port Authority by the Lessee, but such endorsement shall not limit, vary or affect the protections afforded the Port Authority thereunder as an additional assured. Said insurance shall be in not less than the following amounts:

(i) Bodily Injury Liability

For injury to or wrongful death
to one person.....$10,000,000.00

For injury or wrongful death to
more than one person for any one

occurrence.....$10,000,000.00

Aggregate Products-
Completed Operations.....$10,000,000.00

(ii) Property Damage Liability

For all damage arising out of injury
to or destruction of property in any
in any one occurrence.....$10,000,000.00

Aggregate Products-Completed
Operations.....$10,000,000.00

Aggregate Premises-Operations.....$10,000,000.00

Aggregate Contractual..... ...$10,000,000.00

The insurance required hereunder shall be maintained in effect during the performance of the construction work and shall be in compliance with and subject to the provisions of paragraph (c) of Section 17 hereof.

The Lessee shall also procure and maintain in effect, or cause to be procured and maintained in effect Workers Compensation Insurance required by law.

(12) The Lessee shall be under no obligation to reimburse the Port Authority for expenses incurred by the Port Authority in connection with its normal review and approval of the original plans and specifications submitted by the Lessee pursuant to this Section. The Lessee however agrees to pay to the Port Authority upon its demand the expenses incurred by the Port Authority in connection with any additional review for approval of any changes, modifications or revisions of the original plans and specifications which may be proposed by the Lessee for the Port Authority's approval. The expenses of the Port Authority for any such additional review and approval shall be computed on the basis of direct payroll time expended in connection therewith plus 100%. Wherever in this Lease reference is made to "direct payroll time", costs computed thereunder shall include a prorata share of the cost to the Port Authority of providing employee benefits, including, but not limited to, pensions, hospitalization, medical and life insurance, vacations and holidays. Such computations shall be in accordance with the Port Authority's accounting principles as consistently applied prior to the execution of this Lease.

(13) The Lessee shall prior to the commencement of construction and at all times during construction

submit to the Port Authority all engineering studies with respect to construction and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(14) The Lessee shall procure and maintain Builder's Risk (All Risk) Completed Value Insurance covering the construction work during the performance thereof including material delivered to the site but not attached to the realty. Such insurance shall be in compliance with and subject to the applicable provisions of Section 15 hereof and shall name the Port Authority, the City of Newark, the Lessee and its contractors and subcontractors as additional assureds and such policy shall provide that the loss shall be adjusted with and payable to the Lessee. Such proceeds shall be used by the Lessee for the repair, replacement or rebuilding of the construction work and any excess shall be paid over to the Port Authority.

(15) The Lessee shall at the time of submitting the comprehensive plan to the Port Authority as provided in paragraph (a) hereof submit to the Port Authority its forecasts of the number of people who will be working at various times during the term of the Lease at the premises, the expected utility demands of the premises, noise profiles and such other information as the Port Authority may require. The Lessee shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(16) The Lessee shall execute and submit for the Port Authority's approval a Construction Application or Applications in the form prescribed by the Port Authority covering the construction work or portions thereof. The Lessee shall comply with all the terms and provisions of the approved Construction Applications. In the event of any inconsistency between the terms of any Construction Application and the terms of this Lease, the terms of this Lease shall prevail and control.

(17) Nothing contained in this Lease shall grant or be deemed to grant to any contractor, architect, supplier, subcontractor or any other person engaged by the Lessee 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. 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 Lessee 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.

(18) Without limiting any of the terms and conditions of this Lease, the Lessee understands and agrees that it shall put into effect prior to the commencement of any construction work an affirmative action program and Minority Business Enterprise (MBE) program and Women-owned Business Enterprise (WBE) program in accordance with the provisions of Schedule E, attached hereto and hereby made a part hereof. The provisions of said Schedule E of this Lease shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as to the Lessee itself and the Lessee shall include the provisions of said Schedule E within all of its construction contracts so as to make said provisions and undertakings the direct obligation of the construction contractor or contractors and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor, contractors and subcontractors to furnish to the Port Authority such data, including but not limited to compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, Minority Business Enterprises and Women-owned Business Enterprises programs of the Lessee and its contractor, contractors, and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor, contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be directed by the Port Authority pursuant to the provisions hereof and said Schedule E to effectuate the goals of affirmative action and Minority Business Enterprise and Women-owned Business Enterprise programs.

(i) In addition to and without limiting any terms and provisions of this Lease, the Lessee shall provide in its contracts and all subcontracts covering the construction work or any portion thereof, that:

(aa) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff,

termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(bb) At the request of either the Port Authority or the Lessee ,the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(cc) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

(dd) The contractor will include the provisions of subparagraphs (aa) through (cc) of this paragraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

(ee) "Contractor" as used herein shall include each contractor and subcontractor at any tier of construction.

(d) The Lessee may wish to commence construction of portions of the construction work prior to the approval by the Port Authority of its plans and specifications pursuant to paragraph (b) hereof, and if it does it shall submit a written request to the Port Authority setting forth the work it proposes then to do. The Port Authority shall have full and complete discretion as to whether or not to permit the Lessee to proceed with said work. If the Port Authority has no objection to the Lessee's proceeding with the work, it shall do so by writing a letter to the Lessee to such effect. If the Lessee performs the work covered by said letter it agrees all such work shall be performed subject to and in accordance with all of the provisions of the approval letter and subject to and in accordance with the following terms and conditions:

(1) The performance by the Lessee of the work covered by any request as aforesaid will be at its sole risk and if for any reason the plans and specifications for the construction work are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this paragraph (d), the Lessee will, as directed by the Port Authority, at its sole cost and expense, either restore the area affected to the condition existing prior to the commencement of any such work or make such modifications and changes in any such work as may be required by the Port Authority.

(2) Nothing contained in any approval hereunder shall constitute a determination or indication by the Port Authority that the Lessee has complied with the applicable governmental laws, ordinances, enactments, resolutions, rules and orders, including but not limited to those of the City of Newark, which may pertain to the work to be performed.

(3) The approved work will be performed in accordance with and subject to the terms, indemnities and provisions of the Lease covering the construction work and with the terms and conditions of any Construction Application which the Port Authority may request the Lessee to submit even though such Construction Application may not have, at the time of the approval under this paragraph (d), been approved by the Port Authority.

(4) No work under any such approval shall affect or limit the obligations of the Lessee under all prior approvals with respect to its construction of the construction work.

(5) The Lessee shall comply with all requirements, stipulations and provisions as may be set forth in the letters of approval.

(6) In the event that the Lessee shall at any time during the construction of any portion of the construction work under the approval granted by the Port Authority pursuant to this paragraph (d) fail, in the opinion of the General Manager of New Jersey Airports of the Port Authority, to comply with all of the provisions of this Lease with respect to the construction work, the Construction Application or the approval letter covering the same or be, in the opinion of the said General Manager of New Jersey Airports in breach of any of the provisions of this Lease, the Construction Application or the approval letter covering the same, the Port Authority shall have the

right, acting through said General Manager of New Jersey Airports to cause the Lessee to cease all or such part of the construction work as is being performed in violation of this Lease, the Construction Application or the approval letter. Upon such written direction from the General Manager of New Jersey Airports, the Lessee shall promptly cease construction of the portion of the construction work specified. The Lessee shall thereupon submit to the Port Authority for its written approval the Lessee's proposal for making modifications, corrections or changes in or to the construction work that has been or is to be performed so that the same will comply with the provisions of this Lease, the Construction Application and the approval letter covering the construction work. The Lessee shall not commence construction of the portion of the construction work that has been halted until such written approval has been received.

(7) It is hereby expressly understood and agreed that neither the field engineer covered by paragraph (e) hereof nor the General Manager of New Jersey Airports mentioned in subparagraph (6) above has any authority to approve any plans and specifications of the Lessee with respect to the construction work, to approve the construction by the Lessee of any portion of the construction work or to agree to any variation by the Lessee from compliance with the terms of this Lease, or the Construction Application or the approval letter with respect to the construction work. Notwithstanding the foregoing, should the field engineer or the General Manager of New Jersey Airports give any directions or approvals with respect to the Lessee's performance of any portion of the construction work which are contrary to the provisions of this Lease, the Construction Application or the approval letter, said directions or approvals shall not affect the obligations of the Lessee as set forth herein nor release or relieve the Lessee from the strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the construction work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager of New Jersey Airports has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the construction work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the construction work in accordance with the terms of the Lease, the Construction Application or the approval letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of the Lease, the Construction Application and the approval letter with respect to the construction work.

(8) Without limiting the discretion of the Port Authority hereunder, the Port Authority hereby specifically advises the Lessee that even if the Port Authority hereafter in the exercise of its discretion wishes to grant approvals under this paragraph (d), it may be unable to do so, so as to permit the Lessee to continue work without interruption following its completion of the work covered by any prior approval hereunder. The Lessee hereby acknowledges that if it commences work pursuant to this paragraph (d), it shall do so with full knowledge that there may not be continuity by it in the performance of its construction work under the procedures of this paragraph (d).

(9) No prior approval of any work in connection with the construction work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed in connection with such construction work prior to the approval by the Port Authority of the Lessee's complete plans and specifications thereof.

(e) The Lessee will give the Port Authority fifteen (15) days' notice prior to the commencement of construction. The Port Authority will assign to the construction work a full time field engineer or engineers. The Lessee shall pay to the Port Authority for the services of said engineer or engineers, the sum of Two Hundred Forty-five Dollars and No Cents ($245.00) for each day or part thereof that the engineer or engineers are so assigned. Nothing contained herein shall affect any of the provisions of paragraph (h) hereof or the rights of the Port Authority hereunder. This Agreement for the services of said field engineer may be revoked at any time by either party on thirty (30) days' written notice to the other, but if revoked by the Lessee it shall continue during the period construction under any partial approvals pursuant to paragraph (d) hereof is performed.

(f) (1) The construction work shall be constructed 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, arising out of or resulting from the operation, use or maintenance of the New Hangar Facilities by the Lessee and from the operations of the Lessee under this Agreement. Accordingly, and in addition to all other obligations imposed on the Lessee under this Agreement and without diminishing, limiting, modifying or affecting any of the same, the Lessee shall be obligated to construct as part of the construction work hereunder such structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the foregoing and each of the foregoing shall be and become a part of the New Hangar Facilities it affects and all

of the foregoing shall be covered under the comprehensive plan of the Lessee submitted under paragraph (a) hereof and shall be part of the construction work hereunder.

(2) Notwithstanding the provisions of subparagraph (1) above and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time during the term of the Lease to require the Lessee, 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 said subparagraph (1). 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 Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. All other provisions of this Section 2 with respect to the construction work shall apply and pertain with like effect to any work which the Lessee is obligated to perform pursuant to this paragraph (f) and upon completion of each portion of such work it shall be and become a part of the New Hangar Facilities. The obligations assumed by the Lessee under this paragraph (f) are a special inducement and consideration to the Port Authority in granting this Lease to the Lessee.

(g) Title to all the construction work shall pass to the City of Newark as the same or any part thereof is erected, constructed or installed.

(h) (1) When the construction work is substantially completed and ready for use the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate by an authorized officer of the Lessee certifying that the construction work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter, the construction work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. The Lessee shall not use or permit the use of the construction work or any portion thereof for the purposes set forth in the Lease until such certificate is received from the Port Authority and the Lessee shall not use or permit the use of the construction work or any portion thereof

even if such certificate is received if the Port Authority states in any such certificate that the same cannot be used until other specified portions are completed.

(2) The term "Completion Date" for the purposes of this Lease shall mean the date appearing on the certificate issued by the Port Authority pursuant to subparagraph (1) of this paragraph (h) after the substantial completion of the construction work.

(3) When in the opinion of the Lessee a material portion of the construction work is substantially completed and ready for use and occupancy by the Lessee for the purposes set forth in Section 5 hereof, and if the Lessee may wish to use and occupy the same the Lessee shall so advise the Port Authority by written notice to such effect setting forth a description of such portion of the construction work and also stating that in its opinion such use and occupancy will not interfere with the completion of the construction work and that the Completion Date would be no more than six (6) months from the Partial Occupancy Date, as hereinafter defined. Upon its receipt of such notice and if the Port Authority concurs in the opinion of the Lessee as aforesaid and also if the Port Authority determines that in its opinion , that the Outside Utility Lines, as hereinafter defined, have been completed, the Port Authority shall give the Lessee a notice setting forth its description of such portion of the construction work (hereinafter called "the Partial Occupancy Portion") which it believes is substantially completed and ready for use and occupancy and attaching an exhibit setting forth the Partial Occupancy Portion. Within fifteen (15) days after its receipt of the Port Authority's notice the Lessee shall give the Port Authority a notice of its choice to commence use and occupancy or its choice not to commence use and occupancy of the Partial Occupancy Portion. If the Lessee's notice states its choice to commence use and occupancy of the Partial Occupancy Portion, the Partial Occupancy Date as to the Partial Occupancy Portion shall be fifteen days from the date of the receipt by the Port Authority of the said notice of the Lessee and said date shall be set forth in a notice from the Port Authority to the Lessee. In the event the Lessee does not deliver to the Port Authority any notice of its choice as aforesaid within the time specified then the Lessee shall be deemed to have not chosen to commence use and occupancy of the Partial Occupancy Portion until the Completion Date and there shall be no Partial Occupancy Date.

With respect to the Lessee's use and occupancy of the Partial Occupancy Portion, if there be a Partial Occupancy Date, it is specifically agreed that:

(i) Each and every obligation of the Lessee pursuant to the terms and provisions of this Agreement shall apply and pertain with full force and effect to the use and occupancy by the Lessee of the Partial Occupancy Portion.

(ii) The Port Authority shall make available the Outside Utility Lines in accordance with Section 45 hereof with respect to the Partial Occupancy Portion as of the Partial Occupancy Date but the Port Authority does not assume and shall not be deemed to have assumed any obligation to have the same completed and available in the event the Lessee chooses to avail itself of any of the provisions of this subparagraph (3);

(iii) Notice given by the Port Authority to the Lessee pursuant to this subparagraph (3) shall not constitute a certification that the construction work as to the Partial Occupancy Portion was done in accordance with the plans and specifications for the construction work;

(iv) The Lessee shall commence the use and occupancy of the Partial Occupancy Portion subject to the condition that all risks thereafter with respect to the construction and installation thereof and any liability therefor for negligence or other reason shall be borne by the Lessee;

(v) The Lessee further recognizes that its use and occupancy of the Partial Occupancy Portion shall coincide with its continuance of the construction work as to the remaining portions of the construction work and that this may involve, among other things, inconvenience, noise, dust, interference and disturbance to the Lessee in its use and occupancy of the Partial Occupancy portion, the risk of which the Lessee hereby assumes. There shall be no reduction or abatement of any rentals, fees or charges payable by the Lessee on account of the continuance of the construction work and neither the continuance of the construction work by the Lessee after the Partial Occupancy Date nor the procedures adopted by the Port Authority shall constitute an eviction or constructive eviction of the Lessee, nor be made the grounds for any abatement of rentals, fees and charges payable by the Lessee nor give rise to or be the basis of any claim or demand by the Lessee for damages, consequential or otherwise.

(i) The Lessee understands that there may be communications and utility lines and conduits located on or under the site which do not, and may not in the future, serve the premises. The Lessee agrees at its sole cost and expense, if directed by the Port Authority so to do, to relocate and

reinstall such communications and utility lines and conduits on the site or off the site as directed by the Port Authority and to restore all affected areas (such work being hereinafter collectively called "the relocation work"). The Lessee shall perform the relocation work subject to and in accordance with all the terms and provisions of this Section 2 and the relocation work shall be and become a part of the construction work, it being understood, however, that the relocation work shall not be or become a part of the premises hereunder.

(j) (1) The Lessee acknowledges that it will be continuing its operations at the existing Hangar 12 under this Lease during the period of time it is performing the construction work hereunder. The Lessee further acknowledges that this may involve among other things inconvenience, noise, dust, interference and disturbance to the Lessee in its operations at the site as well as to its customers, patrons, invitees and employees and possibly other risks as well. The Lessee hereby expressly assumes all of the foregoing risks and agrees that there will be no reduction or abatement of any of the rentals, fees or charges payable by the Lessee under this Lease on account of its performance of the construction work and that the performance of the construction work shall not constitute an eviction or constructive eviction of the Lessee nor be grounds for any abatement of rents, fees or charges payable by the Lessee under this Lease nor give rise to or be the basis of any claim or demand by the Lessee against the Port Authority, its Commissioners, officers, employees or agents for damages, consequential or otherwise, under this Lease.

(2) The Lessee hereby further expressly warrants and represents to the Port Authority that it shall perform all of its obligations under the Lease during its performance of the construction work, notwithstanding the fact that it intends to demolish portions of the existing Hangar 12 prior to the completion of the New Hangar Building or the New Hangar Facilities.

Section 3. Term

The term of the letting hereunder shall commence as to all of the premises on January 1, 1986 and, unless sooner terminated, the term of the letting hereunder shall expire as to all of the premises on August 31, 2014.

Section 4. Rentals and Fees

I. Ground Rental

(a) The Lessee agrees to pay to the Port Authority the following Ground Rentals for the premises:

(1) For the portion of the term of the Lease commencing on January 1, 1986 and continuing up to and including December 31, 1995, a Ground Rental for the premises at the annual rate of Three Hundred Twenty-four Thousand Two Hundred Sixty-six Dollars and No Cents ($324,266.00) subject to adjustment as provided in paragraph (b) hereof. The aforesaid annual Ground Rental of Three Hundred Twenty-Four Thousand Two Hundred Sixty-six Dollars and No Cents ($324,266.00) is made up of two factors, one a constant factor in the amount of Fifty-seven Thousand Sixty Dollars and No Cents ($57,060.00) and the other a variable factor in the amount of Two Hundred Sixty-seven Thousand Two Hundred Six Dollars and No Cents ($267,206.00). The variable factor aforesaid represents the Airport Services portion of the annual Ground Rental, and such variable factor of the annual Ground Rental is hereinafter referred to as the "Airport Services Factor" and is subject to adjustment as provided in paragraph (b) hereof;

(2) For the portion of the term of the Lease commencing on January 1, 1996 and continuing up to and including December 31, 2005, a Ground Rental for the premises at an annual rate consisting of two factors, one a constant factor in the amount of Seventy-nine Thousand Eight Hundred Ninety-six Dollars and No Cents ($79,896.00) and the other the Airport Services Factor which shall consist of the Airport Services Factor in the amount set forth in subparagraph (1) above, as the same shall have been adjusted in accordance with paragraph (b) hereof for each calendar year preceding the commencement date of the portion of the term specified in this subparagraph (2), and which shall be the Airport Services Factor in effect on the date of the commencement of the Ground Rental provided for in this subparagraph (2), and which shall be subject to further adjustment as provided in paragraph (b) hereof.

(3) For the portion of the term of the Lease commencing on January 1, 2006 and including up to and including August 31, 2014, a Ground Rental for the premises at an annual rate consisting of two factors, one a constant factor in the amount of Ninety-seven Thousand Eight Dollars and No Cents ($97,008.00) and the other Airport Services Factor which shall consist of the Airport Services Factor in the amount set forth in subparagraph (1) above, as the same shall have been adjusted in accordance with paragraph (b) hereof for each calendar year preceding the commencement date of the portion of the term specified in this subparagraph (3), and which shall be the Airport Services Factor in effect on the date of the commencement of the Ground Rental provided for in this subparagraph (3), and which shall be subject to further adjustment as provided in paragraph (b) hereof.

(b) The Airport Services Factor set forth in subparagraph (1) of paragraph (a) above is the final Airport Services Factor which would be finally determined for the calendar year 1985. For the calendar year 1986 and for each and every calendar year thereafter the Airport Services Factor shall be adjusted in accordance with the provisions of Schedule A attached hereto and hereby made a part hereof. For the portion of the term specified in subparagraph (a)(1) the constant factor of $57,060 shall remain unchanged; and for the portion of the term specified in subparagraph (a)(2) above the constant factor of $79,896 shall remain unchanged; for the portion of the term specified in subparagraph (a)(3) above the constant factor of $97,008 shall remain unchanged.

(c) The Ground Rental for each portion of the term as set forth in paragraph (a) above shall be payable by the Lessee in advance in equal monthly installments on the first day of each said portion of the term and on the first day of each and every calendar month thereafter during said portion of the term. In the event any said portion of the term shall commence on a day other than the first day of a month, the monthly installment due on said day shall be the monthly installment prorated on a daily basis using the actual number of days in said month. In the event any said portion of the term shall expire on a day other than the last day of a month, the monthly installment for said month shall be the monthly installment prorated on a daily basis using the actual number of days in the said month. The commencement dates of the Ground Rental for each portion of the term as set forth in paragraph (a) above are herein each referred to as "the Ground Rental commencement date" with respect to the applicable portion of the term hereunder.

(d) The Lessee understands and agrees that the final Airport Services Factor for the calendar year preceding the calendar year in which the date of expiration falls may not be determined for some months after the expiration date of the Lease and the final Airport Services Factor for the calendar year in which the date of expiration falls will not be determined for some months after the expiration date of the Lease and that the Lessee's obligations to pay any deficiency in the Ground Rental for such calendar years or portions thereof or the Port Authority's obligation to pay a refund in said Ground Rental resulting from the determination of the final Airport Services Factor for such calendar years or portions thereof shall survive such expiration of the Lease and shall remain in full force and effect until such deficiency or refund, if any, is paid. The Lessee hereby acknowledges that neither the survival of the obligation with respect to any such deficiency or refund nor any other provision of this Agreement shall grant or shall be deemed

to grant any rights whatsoever to the Lessee to have the term of the Lease extended for any period beyond the expiration date of the Lease as provided in Section 3 hereof. The Lessee further understands that the Airport Services Factor in effect for the calendar year in which the applicable Ground Rental commencement date falls as determined in accordance with paragraph (b) hereof shall be the Airport Services Factor paid by the Lessee at the applicable Ground Rental commencement date.

(e) If any installment of Ground Rental payable hereunder shall be for less than a full calendar month, then the Ground Rental payment for the portion of the month for which said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in that said month.

II. Abatement

(a) In the event the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of Ground Rental, the constant factor of the Ground Rental for each square foot of land the use of which is denied the Lessee, shall be reduced for each calendar day or major fraction thereof the abatement remains in effect, as follows: (it being understood that there shall be no abatement of Ground Rental under the Lease for any portion of the premises or for any portion of the term except as specifically provided in this Agreement):

(i) for the portion of the term set forth in subparagraph (a)(1) above, at the daily rate of $.0003144;

(ii) for the portion of the term set forth in subparagraph (a)(2) above, at the daily rate of $.0004403;

(iii) for the portion of the term set forth in subparagraph (a)(3) above, at the daily rate of $.0005346.

(b) In addition, the Airport Services Factor of the Ground Rental shall be reduced for each calendar day or major fraction thereof the abatement remains in effect, for each square foot of land the use of which is denied the Lessee at the daily rate of $0.0014725 subject to adjustment as provided herein. No abatement of the Airport Services Factor shall be for other than land area.

The aforesaid abatement rate of $0.0014725 per diem (hereinafter called "the variable rate") is based upon the variable factor in the amount of Two Hundred Sixty-seven Thousand Two Hundred Six Dollars and No Cents ($267,206.00) per annum also called "the Airport Services Factor", and shall be adjusted as

hereinafter provided, and which is based on the final Airport Services Factor which would be finally determined for the calendar year 1985. After the close of the calendar year in which the first Ground Rental commencement date (as set forth in subparagraph (a)(1) above) falls and after the close of each calendar year thereafter, the Port Authority will adjust the variable rate, upwards or downwards, as provided in Schedule A. The resultant variable rate shall constitute the final variable rate for the calendar year for which the adjustment is being made. It shall also constitute the tentative variable rate for the calendar year in which such rate is calculated and for the following year until the next succeeding final variable rate is calculated.

(c) If there has been an abatement during a calendar year, any excess in the amount by which the Airport Services Factor is reduced for any calendar year resulting from the adjustment of the variable rate shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any deficiency in said amount determined on the basis of an adjusted variable rate shall be credited against future Ground Rentals, such credit to be made within thirty (30) days following the adjustment of the variable rate.

(d) The Lessee understands that while the final variable rate for the calendar year in which the expiration date of the Lease falls will not be determined for some months after such expiration and, if in fact there was an abatement during said calendar year, that the Lessee's obligation to pay any excess in the amount by which the Airport Services Factor may have been abated for said calendar year or the Port Authority's obligation to pay any deficiency in said amount resulting from the determination of the final variable rate for said calendar year shall survive such expiration of the Lease and shall remain in full force and effect until such excess or deficiency, if any, is paid. The Lessee hereby specifically acknowledges that neither the survival of the obligation with respect to any such excess or deficiency nor any other provision of the Lease shall grant or shall be deemed to grant any rights whatsoever to the Lessee to have the term of the Lease extended for any period beyond the expiration date of the Lease as provided in Section 3 hereof.

III. Percentage Rental and Gallonage Fees

(a) (1) In addition to the rentals set forth above, the Lessee shall pay to the Port Authority an annual rental (hereinafter called "the Percentage Rental") as follows:

(i) For the portion of the term commencing on January 1, 1986 up to and including June 30, 1986, a Percentage Rental in the amount of Five Percent (5%) of the Lessee's gross receipts arising during each annual period during the term hereof;

(ii) For the portion of the term commencing on July 1, 1986 up to and including December 31, 1988, a Percentage Rental in the amount of Six Percent (6%) of the Lessee's gross receipts arising during each annual period during the term hereof;

(iii) For the portion of the term commencing on January 1, 1989 up to and including December 31, 1995, a Percentage Rental in the amount of Eleven percent (11%) of the Lessee's gross receipts arising during each annual period during the term hereof;

(iv) For the portion of the term commencing on January 1, 1996 up to and including December 31, 2000, a Percentage Rental in the amount of Twelve Percent (12%) of the Lessee's gross receipts arising during each annual period during the term hereof;

(v) For the portion of the term commencing on January 1, 2001 up to and including December 31, 2005, a Percentage Rental in the amount of Thirteen Percent (13%) of the Lessee's gross receipts arising during each annual period during the term hereof;

(vi) For the portion of the term commencing on January 1, 2006 up to and including December 31, 2009, a Percentage Rental in the amount of Fourteen Percent (14%) of the Lessee's gross receipts arising during each annual period during the term hereof;

(vii) For the portion of the term commencing on January 1, 2010 up to and including August 31, 2014, a Percentage Rental in the amount of Fifteen Percent (15%) of the Lessee's gross receipts arising during each annual period during the term hereof.

(b) The term "gross receipts" as used in this Agreement shall include all monies paid or payable to the Lessee for sales made and for services rendered at or from the Airport, regardless of the time or place of receipt of the order therefor, and for sales made and for services rendered outside the Airport, if the order therefor is received at the Airport, including in each and every sale made or service rendered, allowances of every kind, including but not limited to trade-ins made by the Lessee

to its customers, and all rentals and fees paid under any sublease agreements entered into pursuant to the provisions of Sections 23 and 52 of this Lease, and including all fees and commissions paid to the Lessee on sales of aircraft, and "the Lessee's profits on sales of aircraft" by the Lessee (as hereinafter defined), and including all monies paid or payable to the Lessee's parent companies for the charter and leasing of aircraft pursuant to Section 5(g) hereof, and shall also include any other revenues of any type arising out of or in connection with the activities of the Lessee at the Airport, provided, however, that (i) monies paid or payable to the Lessee for the sales of aviation fuel and aircraft lubricants to its customers as authorized in Section 50 of the Lease for which the Lessee has paid the Gallonage Fees set forth herein, (ii) monies paid or payable to the Lessee for the storage, sale and dispensing of automotive fuel and lubricants to Aircraft Operators at the Airport as authorized in Section 5(r)(3) of the Lease for which the Lessee has paid fees to the Port Authority under a permit issued by the Port Authority, (iii) the Lessee's receipts on its sales of aircraft (other than the amounts to be included in gross receipts as herein provided), (iv) monies paid or payable to the Lessee for aircraft maintenance and cargo services performed by the Lessee for Approved Aircraft Operators (as defined in permit ANA-278) other than General Aviation Aircraft Operators pursuant to, under and strictly in compliance with the permit issued to the Lessee by the Port Authority and bearing Port Authority No. ANA-278 effective January 1, 1986 and for which the Lessee has paid fees to the Port Authority under said permit ANA-278, and (v) any taxes imposed by law which are separately stated to and paid by customers of the Lessee and directly remitted by the Lessee to the taxing or to a tax collecting authority, shall be excluded therefrom. Without limiting the requirement for Port Authority approval, if the Lessee conducts any service, operation or any other permitted use under the Lease through the use of a contractor and where the payments for any of the foregoing are made to the contractor, said payments shall be deemed a part of gross receipts as if made to the Lessee. As used herein the term "Lessee's profits on sales of aircraft" shall mean the profits earned by the Lessee on sales of aircraft determined in accordance with proper accounting practices consistently applied by the Lessee and in accordance with Exhibit C attached hereto and hereby made a part hereof, as the same may be revised from time to time and approved by the Port Authority.

(c) The term "annual period" shall mean, as the context requires, (i) the six-month period commencing January 1, 1986 and ending on June 30, 1986; (ii) the six-month period commencing July 1, 1986 and ending on December 31, 1986; (iii) the twelve month period commencing on January 1, 1987, and each of the twelve-month periods commencing on the succeeding anniversaries of said date during the term of this Lease; and (iv) the eight-month period commencing January 1, 2014 and ending August 31, 2014; it being understood and agreed that each annual period shall be a period no longer than twelve months.

The computation of the Percentage Rental for each annual period or a portion of an annual period, as hereinafter provided, shall be individual to such annual period or such portion of an annual period and without relation to any other annual period or any other portion of any annual period.

(d) Gallonage Fees

In addition to the rentals and payments set forth in this Section 4 and the Percentage Rental set forth above, the Lessee shall pay to the Port Authority Gallonage Fees for each gallon of aviation fuel and for each gallon of aircraft lubricants sold or dispensed by the Lessee at the Airport pursuant to paragraph (a) of Section 50 hereof, regardless of when or where the order therefor is received, in accordance with the following table:

	Aviation Fuel (per gallon)	Aircraft Lubricants (per gallon)
1) Commencing on January 1, 1986 up to and including June 30, 1986 at the rate of	$.07 per gallon	$.12 per gallon
2) Commencing on July 1, 1986 up to and including December 31, 1986 at the rate of	$.09 per gallon	$.13 per gallon
3) Commencing on January 1, 1987 up to and including December 31, 1989 at the rate of	$.10 per gallon	$.14 per gallon
4) Commencing on January 1, 1990 up to and including December 31, 1992 at the rate of	$.11 per gallon	$.15 per gallon
5) Commencing on January 1, 1993 up to and including December 31, 1995 at the rate of	$.12 per gallon	$.16 per gallon
6) Commencing on January 1, 1996 up to and including December 31, 1998 at the rate of	$.13 per gallon	$.17 per gallon
7) Commencing on January 1, 1999 up to and including December 31, 2001 at the rate of	$.14 per gallon	$.18 per gallon
8) Commencing on January 1, 2002 up to and including December 31, 2004 at the rate of	$.15 per gallon	$.19 per gallon

9) Commencing on January 1, 2005 up to and including December 31, 2007 at the rate of	$.16 per gallon	$.20 per gallon
10) Commencing on January 1, 2008 up to and including December 31, 2010 at the rate of	$.17 per gallon	$.21 per gallon
11) Commencing on January 1, 2011 up to and including December 31, 2013 at the rate of	$.18 per gallon	$.22 per gallon
12) Commencing on January 1, 2014 up to and including the expiration date of the term of the Lease as set forth in Section 3 hereof at the rate of	$.19 per gallon	$.23 per gallon

(e) The Lessee shall pay the Percentage Rental and the Gallonage Fees as follows:

On the 20th day of the first month following the commencement of each annual period and on the 20th day of each and every month thereafter including the month following the end of each annual period, the Lessee shall render to the Port Authority a sworn statement showing (i) all of its gross receipts for the preceding month, including all of the Lessee's profits from sales of aircraft, as defined in paragraph (b) hereof, and (ii) showing the total number of gallons of aviation fuel and of aircraft lubricants sold or dispensed, or both, by the Lessee at the Airport pursuant to paragraph (a) of Section 50 hereof during the preceding month. Each of the said statements shall also show the Lessee's cumulative gross receipts (including the Lessee's profits on sales of aircraft) from the date of the commencement of the annual period for which the report is made through the last day of the preceding month. At the same time it renders each of the said statements, the Lessee shall pay to the Port Authority an amount equal to the percentage applicable during the annual period as set forth in paragraph (a) above applied to the gross receipts arising during the said preceding calendar month. The Gallonage Fees shall be due and payable by the Lessee on the 20th day of each month (including the month following the expiration or termination of the letting hereunder) simultaneously with the submission of each of the said monthly statements, including the statement under paragraph (f) below. At the end of each annual period the Lessee shall submit to the Port Authority a sworn statement certified by a responsible fiscal officer of the Lessee setting forth the cumulative totals of items (i) and (ii) above for the entire annual period.

(f) Upon any termination of the letting hereunder (even if stated to have the same effect as expiration), the Lessee shall, within twenty (20) days after the effective date of such termination, make a payment of the Percentage Rental as follows:

First, without limiting Section 6(f) hereof, the Lessee shall within twenty (20) days after the effective date of termination, render to the Port Authority a sworn statement of all gross receipts for the annual period in which the effective date of termination falls and

Second, the Lessee shall at the same time pay to the Port Authority the payment then due on account of all Percentage Rental for the annual period in which the effective date of termination falls.

(g) Nothing hereinabove provided shall affect the survival of obligations of the Lessee as set forth in Section 28 of this Agreement.

Section 5. Use of Premises

The Lessee hereby agrees to and shall use the premises for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

(a) For the storage and parking of aircraft owned or operated by General Aviation Aircraft Operators as hereinafter defined;

(b) For the maintenance, repair, servicing and cleaning of aircraft (and component parts thereof) owned or operated by General Aviation Aircraft Operators as hereinafter defined, and of mobile equipment operated by the Lessee in connection with the servicing and loading of such aircraft;

(c) For the sale of aircraft, aircraft assemblies, aircraft accessories and component parts thereof;

(d) For the storage of aircraft parts and supplies;

(e) For the sale, maintenance, repair and servicing of avionics equipment;

(f) For business and administrative offices

in connection with the operations of the Lessee hereunder;

(g) For the charter and leasing of aircraft owned or operated by the Lessee or Butler Aviation International, Inc., the parent company of the Lessee, or by Butler International, Inc., the parent company of the said Butler Aviation International, Inc., herein sometimes collectively referred to as "the Lessee's parent companies", and for business and operations offices in connection with such charter and leasing of aircraft by the Lessee. It is understood and agreed that the foregoing shall not grant or be deemed to grant a right or privilege in the Lessee to use the Airport for the purpose of the landing and taking off of Aircraft;

(h) For office space for flight crews, maintenance personnel, inspectors and other supervisory personnel employed by General Aviation Aircraft Operators, and for the storage of aircraft parts and supplies owned by General Aviation Aircraft Operators;

(i) For the rental of certain ground equipment including forklifts, tugs, baggage carts and ground power units, used in the servicing of aircraft of General Aviation Aircraft Operators;

(j) For the loading and unloading of cargo from aircraft operated by General Aviation Aircraft Operators and for the temporary storage of such cargo for 24 hours;

(k) For subleasing by the Lessee, in accordance with and subject to the provisions of Section 23 hereof, of portions of the premises to General Aviation Aircraft Operators, as hereinafter defined, for use by said General Aviation Aircraft Operators for the following purposes:

(i) For the storage, parking, maintenance and repair of the aircraft of said sublessees and for the storage of their aircraft parts and supplies;

(ii) For business and administrative offices in connection with the operations of said sublessees;

(iii) For office space for flight crews, maintenance personnel, inspectors and other supervisory personnel employed by the said sublessees.

(iv) For any of the purposes specified above in this Section 5 for the Lessee's use of the premises (except paragraphs (c), (e), (g) and (i) thereof).

It is expressly understood and agreed that nothing contained in this Section 5 shall constitute or shall be deemed to constitute a waiver of the requirements and provisions of Section 23 hereof.

(l) Without limiting the generality of any other term or provision of this Agreement and subject to all the terms and provisions of this Agreement, including but not limited to Section 17, the Lessee shall operate and conduct a consolidated passenger service counter for General Aviation Aircraft Operators for the following purposes:

(i) For the reservation of space and the sale of tickets for transportation on aircraft of General Aviation Aircraft Operators; and

(ii) For the handling of the baggage, including unclaimed baggage and lost-and-found articles of passengers of the General Aviation Aircraft Operators; and

(iii) For the conduct of operations, communication, reservation, information and administrative functions in connection with the foregoing.

The foregoing activities of the Lessee for General Aviation Aircraft Operators shall be performed by the Lessee on their behalf. The Lessee shall staff and operate the consolidated passenger service counter hereunder during such hours of the day and such days of the week as may properly serve the needs of the General Aviation Aircraft Operators. The Port Authority's determination of proper business hours, days and staffing hereunder shall control.

(m) For waiting rooms, conference facilities and lounges for the crew, passengers and guests of General Aviation Aircraft Operators using the premises.

(n) For the operation of a snack bar and coffee shop for over-the-counter sales to employees of the Lessee and to its customers and their passengers and guests of food and non-alcoholic beverages only, either by the Lessee itself or by an independent contractor who has received a permit from the Port Authority, it being expressly agreed that there shall be included in the Lessee's gross receipts hereunder all money received or receivable from the operator of the said snack bar and coffee shop whether operated by the Lessee or by an independent contractor.

(o) For providing the ground transportation service defined in and pursuant to paragraph (y) of this Section 5.

(p) For the parking of automobiles owned or operated by customers, employees, patrons and invitees of the Lessee, and other authorized users of the premises.

(q) As to the Ramp and Apron Areas:

(1) For the parking and storage of aircraft owned or operated by General Aviation Aircraft Operators and for the parking and storage of ramp equipment operated by the Lessee and for minor maintenance of such aircraft and equipment;

(2) For the fueling and servicing of aircraft owned or operated by General Aviation Aircraft Operators and ramp equipment operated by the Lessee.

(3) For the loading and unloading of cargo from aircraft operated by General Aviation Aircraft Operators.

(r) (1) For the fueling, servicing, welding, repair and maintenance of automotive vehicles and ground handling equipment used by the Lessee in performing the operations authorized hereunder; and for the servicing, welding, repair and maintenance of automotive vehicles and ground handling equipment used by General Aviation Aircraft Operators operating at the Airport;

(2) For the storage of such automotive fuel and lubricants as may be approved by the Port Authority.

(3) For the storage, sale and dispensing of automotive fuel and lubricants for automotive vehicles and ground handling equipment only used by General Aviation Aircraft Operators operating at the Airport;

The aforesaid purposes set forth in this paragraph (r) shall be performed by the Lessee solely for General Aviation Aircraft Operators; it being expressly understood and agreed that the Lessee shall not perform any of said purposes for others unless the Lessee has been issued a separate permit therefor by the Port Authority, provided, however, that the Lessee may perform fueling of automotive vehicles of cargo aircraft operators operating at the Airport on an occasional basis but only if the General Manager gives prior authorization therefor.

(s) For the vehicular and pedestrian ingress and egress to and from the premises and for vehicular and pedestrian movement inside the premises by the furnishers of services and business guests, by customers of the Lessee and other authorized users using the premises, by members of the general public, and by the Port Authority.

(t) For the taxiing of aircraft owned or operated by the Lessee or customers of the Lessee within the premises.

(u) For appropriate landscaping purposes.

(v) For the purpose for which each portion of the Utility Lines is designed to be used.

(w) For any other purposes or activity for which the Port Authority, expressly in writing, authorizes said portion of the premises to be used.

(x) Except as expressly authorized in paragraphs (g) of this Section 5, the premises shall not be used for Scheduled Aircraft Operators of any kind or for air transportation operations for compensation or hire, provided, however, that the Lessee, upon the prior written and continuing approval of the Port Authority and subject to the terms and conditions therein provided, may perform specified services in the premises for a designated Scheduled Aircraft Operator.

(y) Ground Transportation Service

(1) In addition to the rights of user by the Lessee as set forth in the foregoing paragraphs of this Section 5 of the Lease, the Lessee may use the premises to provide a chauffeured vehicle transportation service (sometimes hereinafter in this Section referred to as "the Service") utilizing appropriate vehicles and drivers at the request of a General Aviation Aircraft Operator for the transportation to, at and from the Airport of the General Aviation Aircraft Operator, its employees, customers and guests and their baggage arriving at or departing from the premises by aircraft. For the purposes of this Agreement, chauffeured vehicle transportation service shall mean the service of the Lessee of providing an entire vehicle and its driver to one customer, where the charge to said customer is not made on a per head basis.

(2) Notwithstanding any other term or provision of this Lease the permission granted to the Lessee in this paragraph (y) of this Section 5 may be revoked at any time by the Port Authority without cause on thirty (30) days'

notice. Revocation shall not relieve the Lessee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation nor affect the continuance of the Lease.

(3) The Lessee shall have no right hereunder to carry on or conduct any ground transportation service other than the Service as set forth in subparagraph (1) hereof. The Lessee in connection with the Service shall not solicit business on the public areas of the Airport or on any other areas of the Airport occupied exclusively by any third party. The use, at any time, either on the premises or elsewhere on the Airport of any advertising or signs in connection with the chauffeured vehicle transportation service shall be subject to the continuing approval of the Port Authority.

(4) The conveyances operated by the Lessee in providing the chauffeured vehicle transportation service shall all be of a type of motor vehicle especially adapted therefor. The Lessee shall maintain all such conveyances in good repair, order and appearance and shall keep them clean at all times.

(5) Without limiting the provisions of Section 10 of the Lease, the Lessee shall procure all license, certificates, permits, franchises or other authorization from all governmental authorities, if any, having jurisdiction over the operation by the Lessee of the chauffeured vehicle transportation service which may be necessary for the conduct of the Service. Neither this Agreement nor anything contained herein shall be or be construed to be a grant of any franchise, consent, license, permit, right or privilege of any nature or kind whatsoever to operate omnibuses, taxicabs or any other vehicles or conveyances carrying passengers or property whether for hire or otherwise outside the Airport or over the public streets or roads of, or located in, any municipality or county in the States of New York or New Jersey.

(6) The routes, roads and ways within the Airport over which the Lessee may operate its vehicles in providing the Service shall be those from time to time designated by the Port Authority. The Port Authority makes no representations as to the condition of any route, road or way and does not agree to keep the same unobstructed or fit for use. No closing by the Port Authority of any route, road or way whether temporary or permanent, whether or not such closing involves a route, road or way previously used by the Lessee hereunder, and no such closing by any governmental authority, and whether or not at the request or with the consent of the Port Authority, shall constitute or be deemed a diminution of the right of user granted under this paragraph (y) of this Section or shall relieve the

Lessee of any of its obligations hereunder. The Lessee shall pick up and discharge passengers only at the point or points within the Airport which may be from time to time designated by the Port Authority.

(7) Without limiting the generality of any other term or provision hereof there shall be included in the Lessee's gross receipts all money received or receivable by the Lessee for or in connection with the chauffeured vehicle transportation service including full charge for any trips, any part of which trip is on the Airport, and all advertising and any other revenues of any type arising out of or in connection with the Lessee's operation of the chauffeured vehicle transportation service at the Airport hereunder, provided, however, that gross receipts with respect to the chauffeured vehicle transportation service shall not include:

(i) any taxes imposed by law and directly payable to a taxing or tax collecting authority by the Lessee; and

(ii) any highway, bridge or tunnel tolls, advanced by the Lessee on behalf of its customers, which are separately stated and paid by the Lessee's customers.

(8) The Lessee may engage a contractor to provide the Service paying the contractor an amount therefor but said contractor shall not contract with the Lessee's customers for the said Service. The Service shall be operated by the Lessee in its own name and all amounts payable therefor by the the Lessee's customers shall be payable to it. If the Lessee engages a contractor to provide the Service all acts and omissions of the contractor shall be deemed to be acts and omissions of the Lessee under the Lease.

(z) (1) Subject to the provisions of Section 23 hereof, the Lessee, upon the prior written consent of the Port Authority, shall have the right to enter into subleases or other arrangements involving counter space or direct telephone lines, or both, with such car rental companies who are or who agree to become permittees of the Port Authority. In the event the Lessee does so elect to enter into such subleases or such other arrangements pursuant to the foregoing sentence then the Lessee shall be required to enter into subleases or make such other arrangements with such other car rental companies as may be designated by the Port Authority. The Lessee will make counter space available to such car rental companies or enter into such other arrangements with such car rental companies at reasonable rates or fees, such rental rate or fee to be a fixed or a basic

rental fixed by the Lessee for such space (and no other rental fee or charge, it being understood that the Port Authority may impose a percentage rental or fee on the car rental permittee), such basic rental or fixed fee to represent the fair and reasonable rental or fee for the space provided, taking into account the cost of providing the space and maintaining it.

(2) Notwithstanding the foregoing, in the event the Lessee elects to act as agent or in any other representative capacity for one or more car rental companies using exclusive counter space, the Lessee shall make available similar exclusive counter space to such other car rental companies as may be designated by the Port Authority; in the event the Lessee elects to act as agent or in any other representative capacity for one or more car rental companies without the use of exclusive counter space, the Lessee shall make available at least direct telephone lines to such other car rental companies as may be designated by the Port Authority, upon their request and at their expense.

(3) Notwithstanding any other terms or provisions of this Lease, the permission granted to the Lessee in this paragraph (z) of this Section 5 may be revoked at any time by the Port Authority without cause on thirty (30) days' notice. Revocation shall not relieve the Lessee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation nor affect the continuance of the Lease.

(4) Without limiting the generality of any other term or provision hereof, there shall be included in the Lessee's gross receipts all rentals or other payments received or receivable by the Lessee or by the car rental company for or in connection with the said car rental subleases or other arrangements, and where the Lessee acts as agent for a car rental company on a commission basis, the commission received or receivable by the Lessee shall be included in the Lessee's gross receipts.

(5) The Lessee covenants that any sublease or other arrangement entered into with a car rental company, as herein provided, shall be subject and subordinate to the terms, covenants, conditions and provisions of this Agreement and the rights of the Port Authority hereunder, and, further, that the same shall terminate and expire on the day preceding the date of expiration of this Agreement or on such earlier date as the Lessee and the car rental company may agree upon or on the effective date of any revocation of the Port Authority's consent, and that the same shall, in any event, terminate and expire upon the effective date of the expiration or earlier revocation or

termination of the permit which may be issued by the Port Authority to such car rental company.

Section 6. Obligations in Connection with the Conduct of the Lessee's Business

The Lessee shall

(a) Use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;

(b) Not divert or cause or allow to be diverted, any business from the Airport;

(c) Maintain, in accordance with accepted accounting practice, during the term of this Agreement, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Lessee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Lessee at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District, and which records and books of account shall show (i) the basis and all supporting documents for each and every statement required to be furnished hereunder by the Lessee, (ii) the revenues of whatever kind or nature from such operations, (iii) all revenues received by the Lessee from its customers, sublessees, patrons, invitees, and all others using the premises, whether in the form of rental payments or otherwise, and (iv) such other information as the Port Authority may request from time to time. The Lessee, however, shall not be required to maintain such records and such books of account pertaining to the said transactions during any annual period for more than five (5) years after the end of said annual period;

(d) Permit in ordinary business hours during the term of this Agreement and for one year thereafter, the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the Lessee, or which owns or controls the Lessee if said company performs services, similar to those performed by the Lessee, anywhere in the Port of New York District; without limiting the foregoing, it is expressly understood and agreed that the Port Authority's audit and examination shall include the records and books of account of the Lessee's parent companies with respect to the operations specified in Section 5(g) hereof;

(e) Permit the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Lessee, including but not limited to cash registers;

(f) Furnish on or before the twentieth day of each month following the commencement date of the term of the letting as set forth in Section 5 hereof, a sworn statement of gross receipts arising out of operations of the Lessee hereunder for the preceding month, and furnish within twenty (20) days after the expiration or termination of the letting a statement of all the gross receipts arising hereunder during the period from the last preceding anniversary date of the Lease up to the date of expiration or termination, certified, at the Lessee's expense, by a certified public accountant, all in accordance with subparagraph (e) of paragraph III of Section 4 hereof;

(g) Install and use such cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered as may be appropriate to the Lessee's business and necessary or desirable to keep accurate records of gross receipts.

Section 7. Federal Airport Aid

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 Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has understood and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Lessee of the covenants and obligations contained in this Lease is therefore a special consideration and inducement to the making of this Agreement by the Port Authority, and the Lessee 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 Lessee of its covenants and obligations under this Agreement, the Lessee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

Section 8. Sales and Services

(a) A principal purpose of the Port Authority in the making of this Agreement is to make available at the Airport the items and/or services which the Lessee is permitted to sell and/or render hereunder, and the Lessee 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, that it will furnish such services promptly, efficiently and adequately to meet all demands therefor, on a fair, equal and non-discriminatory basis to all users thereof, and at charges which are fair, reasonable and non-discriminatory, provided that reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions may be made to volume purchasers.

As used hereunder, "services" shall include the furnishing of parts, materials and supplies (including the sale thereof).

(b) The Lessee shall, prior to furnishing any services hereunder, prepare a schedule of rates and charges for the services it will perform. Such schedule shall be furnished to the Port Authority. All subsequent changes therein shall be submitted to the Port Authority prior to the effective date or dates thereof. The entire schedule, including all changes, amendments and supplements, shall be made available to the public by the Lessee at its office on the premises and at the office of the General Manager of the Airport. That part of the schedule covering rates, charges and services ordinarily made to customers of the Lessee not having continuing contracts with the Lessee shall be posted prominently at the office of the Lessee on the premises. The Lessee covenants and agrees to adhere to the charges shown on the schedule, and to refund promptly to the customer, upon demand of the Port Authority, any charge or charges made in excess of those shown on the schedule.

(c) The Lessee covenants and agrees that it will not enter into continuing contracts or arrangements with third parties for the furnishing of services by the Lessee if any such contract or arrangement will have the effect of utilizing to an unreasonable extent the capacity of the Lessee for furnishing such services generally. At all times the Lessee will reserve a reasonable capacity to furnish services hereunder to customers not parties to continuing contracts with the Lessee.

(d) The Lessee shall be open for and shall conduct business and furnish services hereunder 24 hours a day, seven days a week.

(e) The Lessee covenants and agrees that it will not enter into any agreement or understanding, whether or not binding, with any person, firm, association, corporation or other entity, which will have the effect of fixing rates, of lessening or preventing competition, or of creating or tending to create a monopoly, at the Airport, relating to the services, products, or articles furnished or sold by the Lessee.

Section 9. Ingress and Egress

(a) The Lessee, its officers, employees, customers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between the premises and the city streets or public ways outside the Airport by means of such roadways as shall be existing as of the commencement date of the term of the letting as set forth in Section 3 hereof, to be used in common with others having rights of passage within the Airport, provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

(b) The Lessee shall have the right of ingress and egress between the premises and the Public Landing Area at the Airport, by means of existing taxiways to be used in common with others having rights of passage thereon, provided, however, that the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

(c) The use of all roadways and taxiways shall be subject to the rules and regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. In addition to the rights of closure granted above, the Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing of, any such roadway, taxiway and any other area at the Airport presently or hereafter used as such, so long as a means of ingress and egress reasonably equivalent to that provided in paragraphs (a) and (b) above remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority its successors and assigns, of and from any and all claims, demands or causes of action which the Lessee 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, taxiway or other area used as such whether within or outside the Airport, provided, a reasonable equivalent means of ingress and egress is available. The Lessee 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 premises or in any streets, ways and walks near the premises.

Section 10. Compliance with Governmental Requirements

(a) The Lessee shall comply with all laws and ordinances and governmental rules, regulations and orders now or at any time during the term of this Lease which as a matter of law are applicable to or which affect the operations of the Lessee at the premises hereunder and the Airport, and the Lessee shall, in accordance with and subject to the provisions of Section 22 hereof, make any and all structural and non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rules, regulation, requirement, order or direction.

(b) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee hereunder and shall maintain in full force and effect throughout the term of this Agreement all licenses, certificates, permits or other authorization which may be necessary for the conduct of such operations. "Governmental authority" shall not be construed as intending to include The Port Authority of New York and New Jersey, the Lessor under this Agreement.

(c) The obligation of the Lessee to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises. Such provision in not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(d) The Lessee shall comply with the enactments, ordinances, resolutions and regulations of local governmental authority in regard to the 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 so to do, except in cases where the Port Authority either notifies the Lessee that it need not comply with or directs it not to comply with any such enactments, ordinances, resolutions or regulations. The Lessee 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 such enactment, ordinance, resolution or regulation a true copy of the same. Any direction by the Port Authority to the Lessee 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 Lessee, the Port Authority to the extent that it may lawfully do so, shall indemnify and hold the Lessee harmless

from and against all claims, actions, damages, liabilities, fines, penalties, costs and expenses suffered or incurred by the Lessee as a result of noncompliance with such enactment, ordinance, resolution or regulation.

In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee 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 Lessee not to comply. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

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

Section 11. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, customers, patrons, sublessees, guests, invitees, other users of the premises and others doing business with it to observe and obey) the existing Rules and Regulations of the Port Authority and such reasonable future Rules and Regulations and amendments and supplements thereto for the government of the conduct and operations of the Lessee and others on the premises as may from time to time during the letting be promulgated by the Port Authority for reasons of safety, health, sanitation or good order. The obligation of the Lessee to require such observance and obedience on the part of its customers, sublessees, guests, invitees, business visitors, and others using the premises shall obtain only while such persons are on the premises. The Port Authority agrees that except in cases of emergency, it will give notice to the Lessee of every such future rule or regulation adopted by it at least ten (10) days before the Lessee shall be required to comply therewith.

(b) If a copy of the Rules and Regulations is not attached, then the Port Authority will notify the Lessee thereof by delivery of a copy, or by making a copy available at the office of the Secretary of the Port Authority.

Section 12. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations hereunder in an orderly and proper manner, considering the nature of

such operations so as not to annoy, disturb or be offensive to others at or off the Airport. The Lessee shall take all reasonable measures (1) to eliminate or reduce as low as possible vibrations tending to damage any equipment, structure, building or portion of a building which is on the premises, or is a part thereof, or is located elsewhere on or off the Airport; and (2) to keep the sound level of its operations as low as possible.

(b) The Lessee shall use its best efforts to conduct all its operations at the premises in a safe and careful manner, following in all respects the best practices of the air transportation industry in the United States.

(c) The Port Authority shall have the right to object to the Lessee regarding the conduct and demeanor of the employees of the Lessee whereupon the Lessee will take all steps reasonably necessary to remove the cause of the objection. If requested by the Port Authority the Lessee shall supply and shall 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 General Manager of the Airport.

(d) The Lessee shall control all vehicular traffic on the roadways or other areas within the premises and shall take all precautions reasonably necessary to promote the safety of all persons on the premises. The Lessee shall employ such means as may be necessary to direct the movement of vehicular traffic within the premises to prevent traffic congestion on the public roadways leading to the premises.

(e) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the General Manager of the Airport all garbage, debris, and other waste materials (whether solid or liquid) arising out of its occupancy of the premises or out of its operations. Any such which may be temporarily stored in the open, shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material, and equipped with tightfitting covers, and to be of a design safely and properly to contain whatever material may be placed therein. The Lessee shall use extreme care when effecting removal of all such waste materials, and shall effect such removal at such times and by such means as first approved by the Port Authority. No such garbage, debris, or other waste materials shall be or be permitted to be thrown, discharged or deposited into or upon the waters at or bounding the Airport. Without limiting the generality of Section 10 hereof, the Lessee shall comply with all federal, state and local laws, rules and regulations governing the storage and disposal of gas bags, debris, waste materials, quarantined materials and other substances, if any, on general aviation, itinerant, air

taxi and scheduled commuter aircraft, if any, arriving at the Airport from an embarkation airport outside of the Continental United States.

(f) From time to time and as often as reasonably required by the Port Authority, the Lessee shall conduct pressure, water-flow, and other appropriate tests of the fire-extinguishing system and apparatus which constitute a part of the premises. The Lessee shall keep in proper functioning order all firefighting equipment on the premises and the Lessee shall at all times maintain on the premises adequate stocks of fresh, usable chemicals for use in such system and apparatus. The Lessee shall notify the Port Authority prior to conducting such tests. If requested by the Port Authority, the Lessee shall furnish the Port Authority with a copy of written reports of such tests.

(g) It is the intention of the parties hereto that noise caused by aircraft engine operations shall be held to a minimum considering the nature of the Lessee's operations. To this end the Lessee will conduct its operations in such a manner as to keep the notice produced by aircraft engines to a minimum and where appropriate shall employ noise arresting and noise reducing devices that are suitable. Aircraft testing and aircraft run-ups will be conducted only in such areas as shall meet with the prior and continuing approval of the Port Authority. The obligations assumed by the Lessee under this paragraph (g) shall not diminish, limit, modify or affect all other obligations of the Lessee with respect to noise under this Agreement.

(h) In its use of the premises, the Lessee shall use its best efforts to minimize jet or prop blast interference to aircraft operating on or to buildings and structures now located on or which in the future may be located on areas adjacent to the premises. In the event the Port Authority determines at any time and from time to time that the Lessee has not so minimized the jet or prop blast interference, it may serve a notice to the Lessee to such effect and if the condition is not corrected to the satisfaction of the Port Authority within thirty days after the service of said notice, the Lessee hereby covenants and agrees to erect and maintain at its own expense such structure or structures as may be necessary to minimize the said jet or prop blast interference, subject, however, to the prior written approval of the Port Authority as to the type, manner, method and cost of construction. The obligations assumed by the Lessee under this paragraph shall not diminish, limit, modify or affect all other obligations of the Lessee with respect to interference under this Agreement.

(i) The Lessee agrees that it will not erect, construct or maintain or otherwise create or continue any obstacle or so park or store any aircraft or other object on the premises so as to create any obstacle that will hamper or interfere with the free, orderly, unobstructed and uninterrupted passage of vehicles, aircraft or of the wings or other integral part of aircraft of any type, nature or description, while such vehicle is operating or aircraft is taxiing or being transported or towed along any runways, taxiways and roads outside of and adjacent to the premises.

(j) In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the premises or the operations of the Lessee 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 Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under the Agreement and shall operate, use and maintain the premises in accordance with the highest standards 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 premises by the Lessee and from the operations of the Lessee under this Agreement. The Port Authority hereby reserves the right from time to time and at any time during the term of the Lease to require the Lessee, and the Lessee 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 Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same.

The obligations assumed by the Lessee under this paragraph (j) shall continue throughout the term of this Lease 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 Lease consented to or approved

any particular procedure or method of operation which the Lessee may have proposed or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the Lessee to assume the obligations under this paragraph (j) is a special inducement and consideration to the Port Authority in entering into this Lease with the Lessee.

(k) The Lessee shall periodically inspect, clean out and maintain the oil separators serving the premises which are located on the premises and the oil separators located outside the premises if they exclusively serve the premises.

Section 13. Prohibited Acts

(a) The Lessee shall commit no unlawful nuisance, waste or injury on the premises, and shall not do or permit to be done anything which may result in the creation or commission or maintenance of such nuisance, waste or injury on the premises.

(b) The Lessee shall not create nor permit to be caused or created upon the premises any obnoxious odors or smokes, or noxious gases or vapors. The creation of exhaust fumes by the operation of the internal-combustion engines or aircraft engines of other types of aircraft owned or operated by the Lessee's customers or by the Lessee, so long as such engines are maintained and are being operated in a proper manner, shall not be a violation of this paragraph (b).

(c) The Lessee shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewerage system, water system, communications system, electrical, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses and other systems, if any, installed or located on, under, or in the premises.

(d) The Lessee shall not do or permit to be done any act or thing upon the premises (1) which will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the premises 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 contemplated by Section 5 hereof. The Lessee 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 Board of Fire Underwriters and the Fire Insurance Rating 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 Lessee on the premises, and the Lessee shall, subject to and in accordance with the provisions of Section 22 hereof, make any and all structural and nonstructural improvements, alterations or repairs of the premises 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 Lessee to comply with the provisions of this paragraph any fire insurance rate, extended coverage or rental insurance rate on the premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would be if the premises were properly used for the purposes permitted by Section 5 hereof, then the Lessee shall pay to the Port Authority, as an item of additional rental, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee.

(e) The Lessee shall not dispose of nor permit any one to dispose of any waste material taken from its aircraft or those of its customers (whether liquids or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the premises except after treatment in installations or equipment included in plans and specifications submitted to and approved by the Port Authority.

(f) The Lessee shall not keep or store during any 24-hour period flammable liquids within any enclosed portion of the premises (other than in rooms or areas expressly constructed for the storage of such liquids) in excess of the Lessee's working requirements during the said 24-hour period. Any such liquids having a flash point of less than 110 degrees Fahrenheit shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories or the Factory Mutual Insurance Association.

(g) The Lessee shall prevent access by persons or vehicles (unless duly authorized by the Port Authority) to the Public Ramp and Apron Area, Public Passenger Ramp and Apron Area and Public Landing Area from the premises except for aircraft, which aircraft shall be equipped with radio receivers tuned to control tower frequencies and adequately manned. Such aircraft may be towed by a motor vehicle or such other means as may be approved by the Port Authority. The Lessee shall prevent such access by such means as the Port Authority shall approve. Such prevention shall be accomplished on a 24-hour, seven day week basis.

(h) Except as expressly authorized herein, the Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending-machine or device designed to dispense or sell food,

beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation, dispensing or sale of food, beverages, tobacco, tobacco products or merchandise of any kind, whether or not included in the above categories, or of any equipment or device for the furnishing to the public of service of any kind, including therein, without limitation thereto, telephone pay stations. The Port Authority, by itself or by contractors, lessees or permittees, shall have the exclusive right to install, maintain and receive the revenues from all coin-operated or other vending machines or devices installed by it and operated on the premises for the sale of merchandise of all types or for the rendering of services, provided, however, that no such machine or device shall be installed except upon the request of the Lessee. If the Port Authority does not install and maintain any such machine that the Lessee may reasonably request, the Lessee shall have the right to do so, provided, however, (1) that the Lessee 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 concessionaire, permittee or licensee of the Port Authority then operating machines at the Airport for the sale of similar merchandise or the rendering of similar services, and (2) that in the event the Lessee exercises such right the Port Authority, at any time thereafter, on ninety (90) days' notice to the Lessee, may substitute for the Lessee's machines other machines selling similar merchandise or services operated by the Port Authority or by its licensee, permittee or concessionaire, and thereupon the Lessee shall remove its machines.

(i) The Lessee shall not use or permit the use of any structural supporting member of the building or roof or any part thereof for the storage of any material or equipment, or hoist, lift, move or support any material or equipment or other weight or load, by means of said trusses or structural supporting members.

(j) The Lessee shall not overload any floor on the premises, and shall repair, replace or rebuild any floor, including supporting members, damaged by overloading. Nothing in this paragraph or elsewhere in this Agreement shall be or be construed to be a representation by the Port Authority of the weight any floor or paved area will bear.

(k) Except as expressly authorized in paragraphs (g), (y) and (z) of Section 5 hereof, the Lessee shall not engage in the business of furnishing transportation for hire for persons or property, whether by aircraft or otherwise, to, from or on the Airport.

(l) The Lessee shall not use any cleaning materials having a harmful corrosive effect, on any part of the premises.

(m) The Lessee shall not fuel or defuel any equipment in the enclosed portions of the premises without prior approval of the General Manager of the Airport.

(n) The Lessee shall not start or operate any engine or any item of automotive equipment in any enclosed space on the premises unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device which has been approved by the Port Authority.

(o) The Lessee shall not operate or cause to be operated aircraft engines in any portions of the premises other than for the purpose of taxiing aircraft to and from the premises or in connection with authorized aircraft maintenance on the premises.

(p) The Lessee shall not keep or store aviation fuel on the premises except that fueling equipment may be operated on the premises in accordance with all the provisions of this Agreement and with the Port Authority Rules and Regulations pertaining thereto.

Section 14. Care, Maintenance, Rebuilding and Repair by the Lessee

(a) The Lessee shall, throughout the term of this Lease, assume the entire responsibility and shall relieve the Port Authority from all responsibility for all repair, rebuilding and maintenance whatsoever in the premises, whether such repair, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise, and without limiting the generality of the foregoing, the Lessee shall:

(1) Keep at all times in a clean and orderly condition and appearance, the premises and all the Lessee's fixtures, equipment and personal property which are located in any part of the premises which is open to or visible by the general public;

(2) Remove all snow and ice and perform all other activities and functions necessary or proper to make the premises available for use by the Lessee;

(3) Take good care of the premises and maintain the same at all times in good condition; perform all necessary preventive maintenance, including but not limited to painting (the exterior of the premises and areas visible to the general public to be painted only in colors which have been approved by the Port Authority); and make all repairs and replacements, and do all rebuilding, inside and outside, ordinary and extraordinary, partial and entire, foreseen and unforeseen, structural or otherwise, which repairs, rebuilding and replacements by the Lessee shall be in quality and class not inferior to the original in materials and workmanship; and to pay promptly the cost and expense of such repairs, replacements and maintenance;

(4) Provide and maintain all obstruction lights and similar devices on the premises, and provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, ordinance, resolution or regulation of the type and nature described in Sections 10 and 11 of this Agreement. The Lessee shall enter into and keep in effect throughout the term of the Lease a contract or contracts with a central station alarm company acceptable to the Port Authority to provide continuous and automatic surveillance of the fire protection system on the premises. The Lessee shall insure that all fire alarm signals with respect to the premises shall also be transmitted to the Airport's police emergency alarm board or to such other location on the Airport as the General Manager of the Airport may direct. The Lessee's obligations hereunder shall in no way create any obligation whatsoever on the part of the Port Authority.

(5) Take such anti-erosion measures and maintain the landscaping at all times in good condition, including but not limited to periodic replanting, as the Port Authority may require, and perform and maintain such other landscaping with respect to all portions of the premises not paved or built upon as the Port Authority may require;

(6) Be responsible for the maintenance and repair of all utility service lines, including but not limited to, service lines for the supply of water, electric power and telephone conduits and lines, sanitary sewers and storm sewers, located upon the premises;

(7) Be responsible for appropriate lighting of all ramp and apron areas and for the maintenance and repair of all access roadways, taxiways and ramp and apron areas located upon the premises.

(8) Repair any damage to the paving or other surface of the premises caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

(b) In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild or paint within a period of twenty (20) days after notice from the Port Authority so to do in the event that the said notice specifies that the required work to be accomplished by the Lessee includes maintenance and/or repair other than preventive maintenance, or within a period of one hundred eighty (180) days if the said notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only, or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all of the premises required to be repaired, replaced, rebuilt or painted by the Lessee 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 premises included in the said notice, and the cost thereof shall be payable by the Lessee upon demand.

Section 15. Insurance

The Lessee shall during the term of this Agreement, 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 premises against all risks of physical loss or damage, if available, and if not available, then against such hazards and risks as may now or in the future be included under the standard form of fire insurance policy available in the State of New Jersey including 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, and also covering nuclear property losses and contamination hazards and risks (if such coverage is or becomes available) and boiler and machinery 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 and/or the Superintendent of Insurance of the State of New Jersey and the Lessee shall furthermore provide additional insurance with respect to the premises covering any other property risk that the Port Authority may at any time during the term of this Agreement cover by

carrier or self-insurance covered by appropriate reserves at other locations at the Airport upon written notice to the Lessee to such effect.

The aforesaid insurance coverages and renewals thereof shall insure the Port Authority, the Lessee and the City of Newark, as their interests may appear, and shall provide that the loss, if any, shall be adjusted with and payable to the Port Authority.

In the event the premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section 15, the Lessee shall promptly furnish to the Port Authority such information and data as may be necessary to enable the Port Authority to adjust the loss.

The policies or certificates representing insurance covered by Section 2(c)(14) shall be delivered by the Lessee to the Port Authority at least thirty (30) days prior to the commencement date of the term of the letting and the policies or certificates representing insurance covered by this Section 15 shall be delivered by the Lessee to the Port Authority at least thirty (30) days prior to the commencement date of the letting hereunder, and each policy and certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, a valid provision obligating the insurance company to furnish the Port Authority and the City of Newark thirty (30) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate, each such policy or certificate shall have stated thereon the lease number appearing on the first page thereof. Renewal policies or certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such policies are to renew.

Regardless, however, of the persons whose interests are insured, the proceeds of all policies covered by this Section 15 shall be applied as provided in Section 16; and the word "insurance" and all other references to insurance in said Section 16 shall be construed to refer to the insurance which is the subject matter of this Section 15, and to refer to such insurance only.

The insurance covered by this Section 15 and by Section 2(c)(14) shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to the form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the

Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of the said policies shall be delivered to the Port Authority.

Section 16. Damage to or Destruction of Premises

(a) Removal of Debris. If the premises, or any part thereof, shall be damaged by fire, the elements, the public enemy or other casualty, the Lessee shall promptly remove all debris resulting from such damage from the premises, and to the extent, if any, that the removal of debris under the circumstances is covered by insurance the proceeds thereof shall be made available to and be used by the Lessee for such purpose.

(b) Minor Damage. If the New Hangar Facilities, or any part thereof, shall be damaged by fire, the elements, the public enemy or other casualty but not rendered untenantable or unusable for a period of ninety days, the New Hangar Facilities shall be repaired with due diligence in accordance with the plans and specifications for the same as they existed prior to such damage by and at the expense of the Lessee and if such damage is covered by insurance, the proceeds thereof shall be made available to and be used by the Lessee for that purpose. If the existing Hangar 12, or any part thereof, shall be damaged by fire, the elements, the public enemy or other casualty but not rendered untenantable or unusable for a period of ninety days, the Lessee may proceed to repair the same with due diligence in accordance with the plans and specifications for the same as they existed prior to such damage by and at the expense of the Lessee and if such damage is covered by insurance, the proceeds thereof shall be made available to and be used by the Lessee for that purpose.

(c) Major Damage to or Destruction of the Premises. If the New Hangar Facilities, or any part thereof shall be destroyed or so damaged by fire, the elements, the public enemy or other casualty as to be untenantable or unusable for ninety days, or if within ninety days after such damage or destruction the Lessee notifies the Port Authority in writing that in its opinion said New Hangar Facilities will be untenantable or unusable for ninety days then: The Lessee shall proceed with due diligence to make the necessary repairs or replacements to restore such New Hangar Facilities in accordance with the plans and specifications for the New Hangar Facilities as the same existed prior to such damage or destruction; or with the approval in writing of the Port Authority make such other repairs, replacements or changes as may be desired by the

Lessee. If such destruction or damage was covered by insurance, the proceeds thereof shall be made available to and used by the Lessee for such restoration.

The obligation of the Lessee to repair or replace shall be limited to the amount of the insurance proceeds provided the Lessee has carried insurance to the extent and in accordance with Section 15 hereof. Any excess of the proceeds of insurance over the costs of the restoration shall be retained by the Port Authority, provided such retention of any such excess does not violate the provisions of the insurance policy.

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 other similar statute shall extend or apply to this Agreement.

Section 17. Indemnity and Liability Insurance

(a) (1) The Lessee 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 any default of the Lessee in performing or observing any term or provision of this Agreement, or out of the operations and services of the Lessee at the Airport, or out of the use or occupancy of the premises by the Lessee or any of its customers, sublessees, patrons, invitees or other users of the premises or out of any other acts or omissions of the Lessee, its officers, employees, customers, sublessees, patrons, invitees or other users of the premises on the premises or elsewhere at the Airport, or out of the acts or omissions of others on the premises with the consent of the Lessee, including claims and demands of the City of Newark against the Port Authority pursuant to the provisions of the Basic Lease, whereby the Port Authority has agreed to indemnify the City against claims.

(2) If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand (even if such, 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, 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.

(b) In addition to the obligations set forth in paragraph (a) of this Section and all other insurance required under this Agreement, the Lessee during the term of this Agreement in its own name as insured and including the Port Authority as an additional insured shall secure, maintain and pay the premiums on a policy or policies of comprehensive general liability insurance, including automotive (covering owned, hired and non-owned vehicles) products, liquor liability 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, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below. The aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, and that said protections shall also pertain and apply with respect to any claim or action against the Port Authority by the Lessee, but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority thereunder as an additional insured. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph (a) hereof.

	Minimum Limits
Comprehensive General Liability	
Bodily Injury Liability: For injury to or wrongful death of one or more than one person in any one occurrence:	$100,000,000
Property Damage Liability: (including but not limited to aircraft in the care, custody and control of the Lessee). For all damages arising out of injury to destruction of property in any one occurrence:	$100,000,000
Comprehensive Automobile Liability:	

Bodily Injury Liability:
For injury to or wrongful death of one or more than one person in any one occurrence: $25,000,000

Property Damage Liability:
For all damages arising out out of injury to or destruction of property in any one occurrence: $25,000,000

All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the term of the letting hereunder. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the above-scheduled insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required.

In addition to the foregoing, the Lessee, in its own name as assured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the term of this Agreement on a policy of hangar-keepers legal liability insurance covering loss or damage to aircraft or aircraft parts which belong to others and which are on the premises in the custody of the Lessee for storage, parking, maintenance, repair, servicing, safe-keeping, or any other operation or service authorized hereunder. The said policy shall be in an amount sufficient to cover 80% of the total maximum replacement value of said aircraft and aircraft parts.

(c) As to the insurance required by the provisions of this Section and Section 2(c)(11), 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. As to insurance required by Section 2(c)(11)delivery shall be made at least thirty (30) days prior to the commencement of construction. As to insurance required by this Section, delivery shall be made at least thirty (30) days prior to the use of any portion of the premises by the Lessee. 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 , in the event a copy is delivered, as aforesaid, and each such certificate, in the event a certificate is delivered, as aforesaid, shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority, and each such copy

and certificate shall have stated thereon the lease number appearing on the first page hereof. Each such copy and certificate shall contain an additional endorsement providing that the insurance carrier 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, 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. Any renewal policy shall be delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. The aforesaid insurance shall be written by a company or companies 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 be or become unsatisfactory to the Port Authority as to the form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. 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 18. Signs

(a) Except with the prior written approval of the Port Authority, the Lessee shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the premises or in the premises so as to be visible from outside the premises or at or on any other portion of the Airport outside the premises. Interior signs affecting public safety and security shall be in accordance with established Port Authority standards.

(b) Upon the expiration or termination of the letting, the Lessee shall remove, obliterate or paint out, as the Port Authority may direct, any and all signs and advertising on the premises or elsewhere on the Airport and in connection therewith shall restore the portion of the premises and the Airport affected by such signs or advertising to the same condition as existing prior to the installation of such signs and advertising. In the event of a failure on the part of the Lessee so to remove, obliterate or paint out each and every such sign or advertising and so to restore the premises and the Airport, the Port Authority may perform the necessary work and the Lessee shall pay the cost thereof to the Port Authority on demand.

Section 19. Obstruction Lights

The Lessee shall install, maintain and operate at its own expense such obstruction lights on the premises as the Federal Aviation Administration may direct or as the General Manager of the Airport may reasonably direct, and shall energize such lights daily for a period commencing thirty (30) minutes before sunset and ending thirty (30) minutes after sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such other period as may be directed or requested by the Control Tower of the Airport.

Section 20. Additional Rent 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 Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee 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 rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rent as set forth in Section 4 hereof.

(b) For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of sum or sums by the Port Authority for any work done or material furnished shall be *prima facie* evidence against the Lessee that the amount of such payment was necessary and reasonable. Should the Port Authority elect to use its operating and maintenance staff in performing any work and to charge the Lessee with the cost of same, any time report of any employee of the Port Authority showing hours of labor or work allocated to any such work, or any stock requisition of the Port Authority showing the issuance of materials for use in the performance thereof, shall likewise be *prima facie* evidence against the Lessee that the amount of such charge was necessary and reasonable.

Section 21. Rights of Entry Reserved

(a) The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee 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.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the premises 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 premises new systems or parts thereof and to use the premises for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the premises by the Lessee.

(c) In the event that any property of the Lessee shall obstruct the access of the Port Authority, its employees, agents or contractors to any of the existing or future utility, mechanical, electrical and other systems and thus shall interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property, as directed by the Port Authority, in order that the access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

(d) Nothing in this Section shall or shall be construed to impose upon the Port Authority any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the premises and the Port Authority shall not in any event be liable for any injury or damage to any property or to any person happening on or about the premises nor for any injury or damage to the premises nor to any property of the Lessee or of any other person located in or thereon (other than those occasioned by the affirmative acts of the Port Authority, its employees, agents and representatives).

(e) At any time and from time to time during ordinary business hours within the six (6) months next preceding

the expiration of the letting, the Port Authority, for and by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same, and during such six-month period the Port Authority may place and maintain on the premises the usual "To Let" signs, which signs the Lessee shall permit to remain without molestation.

(f) If, during the last month of the letting, the Lessee shall have removed all or substantially all its property from the premises, the Port Authority may immediately enter and alter, renovate and redecorate the premises.

(g) 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 Lessee nor be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

Section 22. Other Construction by the Lessee

Except as otherwise expressly provided herein in Section 2 hereof, the Lessee shall not erect any structures, make any improvements or do any construction on the premises or alter, modify, or make additions, improvements or repairs (to the extent the Port Authority requires an Alteration Application to be filed in connection therewith) to or replacements of any structure now existing or built at any time during the letting, or install any fixture (other than trade fixtures, removable without material damage to the freehold, any such damage to be immediately repaired by the Lessee) without the prior written approval of the Port Authority and in the event any construction, improvement, alteration, modification, repair, replacement or addition is made without such approval, then upon reasonable notice so to do, the Lessee will 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 Lessee to comply with such notice, the Port Authority may effect the removal or change and the Lessee shall pay the cost thereof to the Port Authority.

Without limiting the generality of the foregoing paragraph the Lessee acknowledges and agrees that any Notes and associated reference lines set forth on Exhibit A to the Lease shall not constitute or be deemed to constitute or imply that approval of the Port Authority will be granted to any proposed construction by the Lessee nor shall the same grant or be deemed to grant any right or permission to the Lessee now or in the future to erect any structures, make any improvements or do any

other construction work in the premises, including but not limited to repairs to or replacements of, any structure now existing or built at any time during the letting or install any fixtures on the premises, including but not limited to paving, and that the provisions of the foregoing paragraph of this Section shall be read and construed as if there were no Notes and associated reference lines on Exhibit A and that any which were placed on such Exhibit are solely and exclusively for the benefit of the Port Authority.

Section 23. Assignment and Sublease

(a) The Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without prior written consent of the Port Authority.

(b)(1) The Lessee shall not sublet the premises or any part thereof without the prior written consent of the Port Authority.

(2) The Lessee may sublet portions of the premises to General Aviation Aircraft Operators, upon the prior written approval and consent of the Port Authority which approval and consent shall be within the sole discretion of the Port Authority and in each instance be incorporated in an appropriate Consent to Sublease Agreement in a form satisfactory to the Port Authority and executed by the Port Authority, the Lessee and the proposed sublessee. Each such sublease agreement covering the subletting of a portion of the premises shall be for a term expiring no later than the day before the expiration date of this Agreement as such date is set forth in Section 3 hereof, and shall provide that the subleased premises shall be used solely for the purposes set forth in paragraph (k) of Section 5 hereof approved and consented to by the Port Authority, as aforesaid. Notwithstanding the foregoing however, it is expressly understood and agreed that nothing herein shall require or be deemed to require the Port Authority to grant its approval or consent to any sublease agreement proposed by the Lessee. Without limiting any of the foregoing it is recognized that the Lessee intends to enter into a sublease agreement with Exxon Corporation which shall be in accordance with the provisions hereof whereby the Lessee will sublet to Exxon Corporation premises in the New Hangar Building, subject to the written approval and consent of the Port Authority as herein called for. Without limiting any other term or provision of this Agreement, the Lessee shall at all times retain sufficient ability to furnish services hereunder to customers who are not parties to subleases with the Lessee, and, further, the Lessee shall at all times retain sufficient space within the New Hangar Building so as to furnish services hereunder to all customers, whether or not such customers are parties to subleases with the Lessee.

(c) If without prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of paragraphs (a) or (b) of this Section or if the premises are occupied by anybody other than the Lessee, the Port Authority may collect rent from any assignee, sublessee or anyone who claims a right under this Agreement or letting or who occupies the premises, and the Port Authority shall apply the net amount collected to the rental herein reserved; but no such collection shall be deemed a waiver by the Port Authority of the covenants contained in paragraphs (a) and (b) of this Section or an acceptance by the Port Authority of any such assignee, sublessee, claimant or occupant as Lessee, nor a release of the Lessee by the Port Authority from the further performance by the Lessee of the covenants contained herein; nor shall the granting of the Port Authority's approval and consent to sublease pursuant to paragraph (b) of this Section be construed to be a waiver or release by the Port Authority from the further performance by the Lessee of the covenants contained herein.

(d) The Lessee shall not use or permit any person to use the premises or any portion thereof for any purpose other than the purposes stated in Section 5 hereof. Except as provided in this Agreement or otherwise permitted in writing by the Port Authority, the Lessee shall not permit the premises to be used or occupied by any person other than its own officers, employees, passengers, contractors and representatives, customers, sublessees, approved and consented by the Port Authority as aforesaid.

Section 24. Condemnation

(a) Definitions

As used in this Section 24, the phrase, "temporary interest", when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to the possession of such property (whether or not such interest includes or is co-extensive with an interest of the Lessee therein under this Agreement), for an indefinite term or for a term terminable at will or at sufferance or for a term measured by a war or an emergency or other contingency or for a fixed term expiring prior to the expiration date of this Lease; and the phrase "permanent interest", when used with reference to real property, shall mean an interest in such real property entitling the owner of such interest to possession thereof, other than a temporary interest as above defined, including among others a fee simple and an interest for a term of years expiring on or after the expiration of this Agreement.

As used in this Section with reference to any premises leased to the Lessee for its exclusive use or with reference to the Public Landing Area, the phrase "a material part" shall mean such a part of the said premises or said Public

Landing Area that the Lessee cannot continue to carry on its normal operations at the Airport without using such part.

(b) Condemnation or Taking of a Permanent Interest in All or any Part of the Premises or All or a Material Part of the Public Landing Area.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by anybody having a superior power of eminent domain of a permanent interest in all or any part of the premises or of a permanent interest in all or a material part of the Public Landing Area (any such acquisition under this Section 24 hereinafter referred to as a "taking"), the Port Authority shall purchase from the Lessee, and the Lessee shall sell to the Port Authority, the Lessee's leasehold interest (excluding any personal property whatsoever) in the premises, except that in the event of a taking of less than all of the said premises, the Port Authority shall purchase and the Lessee shall sell only so much of the Lessee's leasehold interest in the premises as are taken. The sole and entire consideration to be paid by the Port Authority to the Lessee shall be an amount equal to the unamortized capital investment (as defined in Section 49 (q) hereof), if any, of the Lessee in the premises or, in the event of a taking of less than all of the said premises, an amount equal to the unamortized capital investment (as defined in Section 49 (q) hereof), if any of the Lessee in so much of the premises as are taken. However, the Port Authority shall purchase and the Lessee shall sell only if the consideration paid by the Port Authority therefor will constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants expended for capital improvements at the Newark Marine and Air Terminals", within the meaning of said phrase as used in Section 26, I, D of the Basic Lease or if an amount not less than such consideration can otherwise be retained by the Port Authority (and not be required to be paid to The City of Newark) out of the damages or award in respect to such taking without violation of any obligation of the Port Authority to The City of Newark under the Basic Lease. Such purchase and sale shall take effect as of the date upon which such body having superior power of eminent domain obtains possession of any such permanent interest in the premises or in the Public Landing Area, as the case may be, and in that event, the Lessee (except with respect to its personal property), shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

If, however, the amount to be paid by the Port Authority (the unamortized capital investment as defined in Section 49 (q) hereof, if any, of the Lessee in the premises) for such leasehold interest will not constitute "unamortized Port Authority funds other than bond proceeds or Federal or State grants, expended for capital improvements at the Newark Marine and Air Terminals", within the meaning of said phrase as used in Section 26, I, D of the Basic Lease or if an amount not less than such consideration cannot otherwise be retained by the Port Authority (and not be required to be paid to the City of Newark) out of the damages or award in respect to such taking without violation of any obligation of the Port Authority to The City of Newark under the Basic Lease, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in any such event, the Lessee shall have the right to appear and file its claim for damages in the condemnation or eminent domain proceedings, to participate in any and all hearings, trials and appeals therein, and to receive such amount as it may lawfully be entitled to receive as damages or payment as a result of such taking, because of its leasehold interest in the premises up to but not in excess of an amount equal to the unamortized capital investment (as defined in Section 49 (q) hereof), if any, of the Lessee in the premises. The Port Authority and the Lessee hereby agree that as full and final settlement of any sum that may be due as rent or otherwise for the balance of the term of this Lease, the Lessee will pay to the Port Authority the excess, if any, which the Lessee may be entitled to receive over the foregoing sum. If there be no excess, any sum that may be due as rent or otherwise for the balance of the term of this Lease shall abate.

In the event of the taking of all of the premises and if the Lessee has no unamortized capital investment (as defined in Section 49 (q) hereof) in the premises at the time of the taking, then the aforesaid agreement to purchase and sell said leasehold interest shall be null and void; and in that event, this Lease and all rights granted by this Lease to the Lessee to use or occupy the premises for its exclusive use or for its use in common with others at the Airport and all rights, privileges, duties and obligations of the parties in connection therewith or arising thereunder shall terminate as of the date of the taking, and in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

In the event that the taking covers only a material part of the premises, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the effective date of such taking to terminate the letting hereunder with respect to the premises not taken, as of the date of such taking and such termination shall be effective as if the date of such taking were the original date of expiration hereof. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the premises not taken for a consideration equal to the unamortized capital investment (as defined in Section 49 (q) hereof, if any, of the Lessee in the premises not taken. If the letting of the entire premises is not terminated the settlement or abatement of rentals after the date possession as taken by the body having a superior power of eminent domain shall be in accordance with Section 4 hereof.

(c) Condemnation or Taking of a Permanent Interest in Less Than a Material Part of the Public Landing Area

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a permanent interest in less than a material part of the Public Landing Area, the Port Authority and the Lessee each shall have the right to appear and file claims for damages, to the extent of their respective interests, in the condemnation or eminent domain proceedings to participate in any and all hearings, trials and appeals therein, and receive and retain such amount as they may lawfully be entitled to receive and retain as damages or payment as a result of such taking. However, if at the time of such taking the Lessee has no unamortized capital investment (as defined in Section 49 (q) hereof) in the premises, in that event, the Lessee (except with respect to its personal property) shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such taking, and all rights to damages, if any, of the Lessee (except for damages to its personal property) by reason thereof are hereby assigned to the Port Authority.

(d) Condemnation or Taking of a Temporary Interest in All or Any Part of the Premises or All or a Material Part of the Public Landing Area

Upon acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a temporary interest in all or any part of the premises or of a temporary interest in all or a material part of the Public Landing Area, there shall be no abatement of any

rental payable by the Lessee to the Port Authority under the provisions of this Agreement but the Lessee shall have the right to claim and in the event of an award therefor shall be entitled to retain the amount which may be awarded as damages or paid as a result of the condemnation or other taking of such temporary interest, provided, that the Lessee shall be obligated to pay over to the Port Authority all such payments as may be made to the Lessee as damages or in satisfaction of such claim, after deduction of (a) reasonable expenses incurred by the Lessee in the prosecution of such claim; (b) an amount equal to the unamortized capital investment (as defined in Section 49 hereof), if any, of the Lessee in the premises or in the event of a taking of less than all of the said premises, an amount equal to such unamortized capital investment in the premises as are taken, to the extent in either case that the same is to be amortized over the period of the taking; and (c) the then present capitalized value of the Lessee's obligation for rentals thereafter payable during the period of the taking in respect to the demised premises, or, in the event of a taking of less than all of the said premises, in respect to the premises so taken.

In the event that the taking covers a material part but less than all of the demised premises, then the Lessee and the Port Authority shall each have an option, exercisable by notice given within ten (10) days after the effective date of such taking to suspend the term of the letting of such of the premises as are not so taken during the period of the taking, and, in that event, the rentals for such premises shall abate for the period of the suspension. If the Port Authority exercises this option, it shall purchase from the Lessee the Lessee's leasehold interest (excluding any personal property whatsoever) in the premises not taken for the period of suspension for a consideration equal to the unamortized capital investment (as defined in Section 49 (q) hereof), if any, of the Lessee in such premises which is to be amortized over the period of such suspension.

(e) Condemnation or Taking of a Temporary Interest in Less than a Material Part of the Public Landing Area

Upon the acquisition by condemnation or the exercise of the power of eminent domain by a body having a superior power of eminent domain of a temporary interest in less than a material part of the Public Landing Area, the Lessee shall not have any claim or right to claim or be entitled to any portion of the amount which may be awarded as damages or paid as a result of such condemnation or taking, and all rights to damages, if any, of the Lessee, including consequential damages, by reason of such condemnation or taking, are hereby assigned to the Port Authority.

Section 25. Termination by the Port Authority

(a) If any one or more of the following events shall occur, that is to say:

(1) The Lessee 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 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 or all or substantially all of its property; or

(2) By order or decree of a court the Lessee shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the Lessee, 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, provided that if any such judgment or order is stayed or vacated within sixty (60) days after the entry thereof, any notice of cancellation shall be and become null, void and of no effect; or

(3) 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 property of the Lessee, and such possession or control shall continue in effect for a period of thirty (30) days; or

(4) The Lessee shall voluntarily abandon, desert or vacate the premises or discontinue its operations at the Airport, or after exhausting or abandoning any right of further appeal, the Lessee shall be prevented for a period of thirty (30) days by action of any governmental agency other than the Port Authority having jurisdiction thereof, from conducting its operations at the Airport, regardless of the fault of the Lessee; or

(5) Any lien is filed against the premises because of any act or omission of the Lessee and shall not be

removed, discharged or bonded within thirty (30) days after the Lessee has received notice thereof;

(6) The letting hereunder or the interest or estate of the Lessee under this Agreement shall be transferred directly by the Lessee or shall pass to or devolve upon, by operation of law or otherwise, to any other person, firm or corporation; or

(7) 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 Lessee and shall not be dismissed within thirty (30) days after the filing thereof; or

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

(9) The Lessee shall fail duly and punctually to pay the rentals or fees or to make any other payment required hereunder when due to the Port Authority; or

(10) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed, or observed, within twenty (20) 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 Lessee shall have commenced to perform whatever may be required for fulfillment within twenty (20) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may upon fifteen (15) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

(b) If any of the events numerated in subparagraph (a) of this Section shall occur prior to the commencement of the term of the letting hereunder, the Lessee shall not be entitled to enter into possession of the premises and 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 the interest of the Lessee under this Agreement, such cancellation to be effective upon the date specified in such notice.

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

(d) No waiver by the Port Authority of any default on the part of the Lessee in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Lessee 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 said terms, covenants 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 Lessee, and the exercise by the Port Authority of any right of termination shall be without prejudice to any other such rights and remedies.

Section 26. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in Section 25 hereof, have the right to re-enter the premises 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 Lessee under this Agreement, and shall in no event constitute an acceptance of surrender.

Section 27. Waiver of Redemption

The Lessee hereby waives any and all rights to recover or regain possession of the premises 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 premises in any lawful manner.

Section 28. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 25 hereof, or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the premises in accordance with the provisions of Section 26 hereof, all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, or re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of the letting under 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 less the proper discount, for the entire unexpired term.

(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 Lessee's rental obligations, shall be the sum of the following:

(1) On account of the constant factor of the Lessee's Ground Rental obligation, the amount of the total of the constant factor of all annual Ground Rentals, less the amount attributable to the constant factor in the installments of said annual Ground Rentals payable prior to the effective date of termination except that the credit to be allowed for the amount attributable to the constant factor in the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect, on the basis of the actual number of days in the month;

(2) On account of the Airport Services Factor of the Lessee's Ground Rental obligation, an amount equal to the product resulting from multiplying the tentative Airport Services Factor in effect at the time such termination or cancellation (or re-entry, regaining or resumption of possession) occurs by the number of full years remaining in the balance of the term, provided, however, that if only a portion of a year remains in the balance of the term or if a portion of a year in addition to a number of full years remains in the balance of the term, an amount shall be added to the

product determined hereinabove which amount shall be equal to the product resulting from multiplying the aforementioned tentative Airport Services Factor by a fraction the numerator of which is the number of days in such portion of a year and the denominator of which is the actual number of days in the year.

(3) An amount equal to the sum of the percentage then in effect as the Lessee's Percentage Rental under Section 4 hereof with said percentage applied to the gross receipts of the Lessee plus the fees stated in paragraph (d) of Section 4 applied to the gallons of aviation fuel and aircraft lubricants sold or delivered by the Lessee, which gross receipts would have been received by the Lessee and which aviation fuel and aircraft lubricants would have been sold or delivered by the Operator during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption or possession); and for the purpose of calculation hereunder (i) the said amount of gross receipts shall be derived by multiplying the number of days in the balance of the term originally fixed by the daily average of the Lessee's gross receipts; (ii) the daily average of the Lessee's gross receipts shall be the Lessee's total actual gross receipts during the twelve months immediately preceding said termination or cancellation (or re-entry, regaining, or resumption of possession) during which the premises were open and in operation and in which no abatement was in effect divided by 365; (iii) the said amount of gallons of aviation fuel and aircraft lubricants shall be respectively derived by multiplying the number of days in the balance of the term originally fixed by the respective daily averages of the Lessee's sales and deliveries of aviation fuel and aircraft lubricants; (iv) the daily averages of the Lessee's sales and deliveries of aviation fuel and aircraft lubricants shall be the total amount of aviation fuel and aircraft lubricants of each type sold or delivered by the Lessee during the twelve months immediately preceding said termination or cancellation (or re-entry, regaining or resumption of possession) during which the premises were open and in operation and in which no abatement was in effect divided by 365.

(4) It is understood and agreed that the statement of damages under the preceding subdivision (3) shall not affect or be construed to affect the Port Authority's right to damages in the event of termination or cancellation (or reentry, regaining or resumption of

possession) where the Lessee has not received any actual gross receipts under this Agreement.

(5) An amount equal to all expenses reasonably incurred by the Port Authority in connection with regaining possession and restoring and reletting the demised premises, for legal expenses, putting the premises in order including, without limitation, cleaning, decorating and restoring (on failure of the Lessee to restore), maintenance and brokerage fees.

Section 29. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to Section 25 hereof, or upon any re-entry, regaining or resumption of possession pursuant to Section 26 hereof, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises 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 the terms and conditions the same as or different from those set forth in this Agreement. The Port Authority shall also, upon termination or cancellation pursuant to the said Section 25, or upon its re-entry, regaining or resumption of possession pursuant to the said Section 26, have the right to repair or to make structural or other changes in the premises and the suitability thereof for the purpose of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations under Section 28 hereof any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting shall be or be construed to be an acceptance of a surrender.

Section 30. Remedies to be Non-Exclusive

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 the Port Authority or to the Lessee at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 31. Surrender

The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the premises on the date of cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition.

Section 32. Acceptance of Surrender of Lease

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 Lessee. 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 letting or of this Agreement.

Section 33. Effect of Basic Lease

This Agreement shall, in any event, terminate with the termination or expiration of the Basic Lease with the City of Newark which covers the premises, such termination to be effective on such date and to have the same effect as if the term of the letting had on that date expired.

Section 34. Removal of Property

The Lessee, subject to the obligations set forth in this Agreement to supply all equipment and material necessary to its operations hereunder, shall have the right at any time during the term of the Agreement to remove its equipment, inventories, removable fixtures and other personal property from the premises. If the Lessee shall fail to remove its property on or before the termination or expiration of this Agreement, the Port Authority may remove such property to a public warehouse for deposit or retain the same in its own possession, and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Lessee to the Port Authority, with any balance remaining to be paid to the Lessee; if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand.

Section 35. Brokerage

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

Section 36. Limitation of Rights and Privileges Granted

(a) No greater rights or privileges with respect to the use of the premises or any part thereof are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

(b) The premises are let to the Lessee and the Lessee takes the same subject to all the following: (i) easements, restrictions, reservations, covenants and agreements, if any, to which the premises may be subject, rights of the public in and to any public street, (ii) rights, if any, of any enterprise, public or private which is engaged in furnishing heating, lighting, power, telegraph, telephone, steam, or transportation services and of the City of Newark and State of New Jersey; (iii) permits, licenses, regulations and restrictions, if any, of the United States, the City of Newark or State of New Jersey, or other governmental authority.

(c) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the premises or the suitability thereof for the operations permitted on the premises by this Agreement. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property. The Lessee shall take possession of the premises in the condition they are in as of the commencement of the term of the letting hereunder.

Section 37. Notices

Except where expressly required or permitted herein to be oral, all notices, directions, 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 registered or certified mail. The Lessee 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 Lessee designates the person named on the first page hereof as their 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 Lessee designates its office at 110 Summit Avenue, P.O.. Box 460, Montvale, New Jersey 07645 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.

Section 38. Facilities Non-Discrimination

(a) Without limiting the generality of any of the provisions of the Agreement, the Lessee, 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 that (1) no person on the grounds of race, color, sex, 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 premises, (2) that in the construction of any improvements on, over, or under the premises and the furnishing of services thereon, no person on the grounds of race, sex, color, creed, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises 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 Lessee's operations at the Airport whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Lessee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Lessee, operates any facility at the Airport 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 provisions.

(c) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above non-discrimination provisions the Port Authority may take any appropriate action to enforce compliance; or in the event such noncompliance 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 and the letting hereunder with the same force and effect as a termination under the Section of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this 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.

(d) The Lessee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons including the United States of America resulting from the Lessee's noncompliance with any of the provisions of this Section and the Lessee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Section shall grant or shall be deemed to grant to the Lessee the right to transfer or assign this Agreement, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on the premises.

Section 39. Affirmative Action

In addition to and without limiting the provisions of Section 2(c)(18) and Schedule E hereof, the Lessee 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 be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee 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 Lessee assures that it will require that its covered suborganizations provide assurances to the

Lessee 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.

Section 40. The Lessee's On-Going Affirmative Action-Equal Opportunity Commitment

(a) The Lessee shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training.

(b) In addition to and without limiting the foregoing, and without limiting the provisions of Sections 2(c)(18), 38, 39 and Schedule E hereof, it is hereby agreed that the Lessee, in connection with its continuing operation, maintenance and repair of the premises, or any portion thereof and in connection with every award or agreement for concessions or consumer services at the Airport, shall throughout the term of the letting hereunder commit itself to and use good faith efforts to implement an extensive program of Affirmative Action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women. In meeting the said commitment the Lessee agrees to submit its said extensive Affirmative Action program, including the specific affirmative action steps to be taken by the Lessee to meet its aforesaid commitment, within three (3) months after its execution of this Agreement to the Port Authority for its review and approval. The Lessee shall incorporate in its said program such revisions and changes which the Port Authority initially or from time to time may reasonably require. The Lessee throughout the term of the letting hereunder shall document its efforts in implementing the said program, shall keep the Port Authority fully advised of the Lessee's progress in implementing the said program and shall supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to annual reports.

(c) "Minority" as used herein shall be as defined in paragraph II(c) of Part I of Schedule E hereof.

(d) The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above 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 and the letting hereunder with the same force and effect as a termination under the provisions of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provision of this Agreement, or may pursue such other remedies as may be provided by law.

(e) In the implementation of this Section, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action-equal employment opportunity which are at least equal to the requirements of this Section, as effectuating the provisions of this Section. If the Port Authority determines that by virtue of such compliance with the provisions of any such federal, state or local law that the provisions hereof duplicate or conflict with such law the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication or conflict exists.

(f) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents.

(g) Nothing in this Section 40 shall grant or be deemed to grant to the Lessee the right to make any agreement or award for concessions or consumer services at the Airport.

Section 41. Place of Payments

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

Section 42. Construction and Application of Terms

(a) The Section and paragraph 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 or intent of any provision hereof.

(b) The terms, provisions and obligations contained in the Exhibits attached hereto, whether there set out in full or as amendments of, or supplements to provisions elsewhere in the Agreement stated, shall have the same force and effect as if herein set forth in full.

Section 43. Non-liability of Individuals

No Commissioner, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement or because of any breach thereof, or because of its or their execution or attempted execution.

Section 44. No Services by the Port Authority

The Port Authority shall not be obligated to provide any utilities or services whatsoever, including ground transportation services, with respect to the premises nor to police the same or keep the same free from snow, ice or otherwise unobstructed and available for use by the Lessee. Notwithstanding the foregoing the Port Authority may elect to provide extermination service in the enclosed portions of the premises for which the Lessee agrees to pay its pro rata share of the reasonable cost thereof, upon demand.

Section 45. Outside Utility Lines

The Port Authority, shall, if and to the extent required, bring appropriate roadway access stubs and service lines for the supply of cold water, electric power, telephone (limited to four telephone conduits) and sanitary and storm sewers to such locations at the perimeter of the premises as the Port Authority shall determine. The Lessee at its sole cost and expense is hereby obligated to tie its utility lines and roadways into such locations at or near the perimeter of the premises where such utility service lines and roadway access stubs will be brought by the Port Authority hereunder. The Port Authority shall have no obligation to make available any service lines or roadway access stubs to any location prior to receiving certification from a responsible officer of the Lessee that all of the construction work has been completed and that the Lessee is ready to tie its Utility Lines and Circulation Areas into the service lines and roadway access stubs to be furnished by the Port Authority.

Section 46. Automobile Parking

LEASE ANA-273

Except as authorized in Section 5 hereof, the Lessee shall prevent all persons from parking automobiles on the premises, except that automobiles may be permitted to be on the premises for a reasonable period of time for the purpose of discharging or picking up passengers and for official and special purposes.

Section 47. Contract of Guaranty

It is recognized that the Lessee is a wholly-owned subsidiary of Butler Aviation International, Inc. and that said Butler Aviation International, Inc. is a wholly-owned subsidiary of Butler International, Inc. The Lessee shall procure and at all times during the term of this Agreement maintain in full force and effect an Agreement of Guaranty executed by said Butler International, Inc. wherein and whereby Butler International, Inc. absolutely and unconditionally guarantees that the Lessee will duly and punctually pay all rentals and other monetary obligations which it has or shall have under the Lease, and that the Lessee will faithfully and fully perform, fulfill and observe everything on its part to be performed, fulfilled nd observed under this Agreement of Lease and any amendments or supplements hereto, or both, as the parties in their discretion may execute. Such Guaranty of Butler International, Inc. shall be in the form attached hereto, hereby made a part hereof and marked "Exhibit B". It is hereby expressly understood and agreed that in the event there is a change in the said relationship of the Lessee and the said two companies as a result of which the Lessee is not owned either directly or indirectly by the said two companies, the Port Authority may require the Lessee to substitute other forms of security and the Lessee shall promply comply with such requirement.

Section 48. Operation of Snack Bar and Coffee Shop

In connection with the operation of a snack bar and coffee shop as authorized by Section 5 hereof the Lessee shall comply with the following:

(a) Its employees shall wear clean uniforms and female employees shall wear caps or nets. The employees shall be clean in their habits and shall thoroughly wash their hands before beginning work and immediately after each visit to the toilet and shall keep them clean during the entire work period. No person known by the Lessee to be affected with any disease in a communicable form or to be a carrier of such disease shall work or be permitted to work for the Lessee.

(b) All food and beverages shall be clean, fresh, pure, of first-class quality and safe for human consumption,

(c) The premises and all equipment and materials used by the Lessee shall at all times be clean, sanitary, and free from rubbish, refuse, dust, dirt, offensive or unclean material, flies and other insects, rodents and vermin. All apparatus, utensils, devices, machines and piping used by the Lessee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned within eight (8) hours after each period of use with hot water and a suitable soap or detergent and shall be rinsed by flushing with hot water. Where deemed necessary by the Port Authority, final treatment by live steam under pressure or other sterilizing procedure shall be used. All trays, dishes, crockery, glassware, cutlery, and other equipment of such type shall be cleaned and sterilized before using same. Bottles, vessels and other re-usable containers shall be cleaned and sterilized immediately before using the same.

(d) All packing materials, including but not limited to wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile, and shall be so stored as to be protected from dust, dirt, flies, rodents, unsanitary handling and unclean materials.

(e) In addition to its obligations under this Section or elsewhere in this Lease pertaining to garbage removal and storage, the Lessee shall daily remove from the premises by means of facilities provided by it, all garbage, debris and other waste material (whether solid or liquid) 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 or other suitable material equipped with tight-fitting covers or closures 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 Lessee. The receptacles shall be kept covered except when filling or emptying the same. The Lessee shall exercise extreme care in removing such garbage, debris and other waste materials from the premises. 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 Port Authority shall be used for such removal unless with its 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 any waters at or bounding the Airport.

Section 49. Definitions

The following terms, when used in this Agreement, shall, unless the context shall require otherwise, have the respective meanings given below:

(a) "Airport" shall mean the land and premises in the County of Essex and State of New Jersey, which are westerly of the right of way of the Central Railroad of New Jersey and are shown upon the exhibit attached to the agreement between the City of Newark and the Port Authority referred to in paragraph (b) below, said exhibit being marked "Exhibit 'A'" as contained within the limits of a line of crosses appearing on said exhibit and designated "Boundary of Terminal Area in City of Newark", and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for air terminal purposes.

(b) The phrase "other users of the premises" shall include the passengers, employees, patrons, invitees, business visitors and guests of the Lessee's customers and sublessees, as well as any other person using any portion of the premises.

(c) "Basic Lease" shall mean the Agreement between the City of Newark and the Port Authority dated October 22, 1947 as the same from time to time may have been or may be supplemented or amended. Said Agreement, dated October 22, 1947, has been recorded in the Office of the Register of Deeds for the County of Essex on October 30, 1947, in Book E-110 of Deeds at pages 242, et seq.

(d) "Agreement" shall mean this Agreement of Lease.

(e) "Lease" shall mean this Agreement of Lease.

(f) "Letting" shall mean the letting under this Agreement for the original term stated herein, and shall include any extension thereof.

(g) "Premises" shall mean and include the land, the buildings, structures and other improvements thereon (whether constructed by the Lessee, the Port Authority or others), the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins.

(h) "Public Landing Area" shall mean the area of land at the Airport including runways, taxiways and the areas between and adjacent to runways and taxiways, designated and made available from time to time by the Port Authority for the landing and taking-off of aircraft.

(i) "Public Ramp and Apron Area" shall mean the area adjacent to the Public Landing Area designated and made available from time to time by the Port Authority for common use for the loading and unloading of passengers or cargo to or from aircraft using the Public Landing Area.

(j) "Runways" (including approaches thereto) shall mean the portion of the Airport used for the purpose of the landing and taking-off of aircraft.

(k) "General Manager" or "General Manager of the Airport" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said Manager by this Agreement; and until further notice from the Port Authority to the Lessee it shall mean the person holding the office of and designated as General Manager, New Jersey Airports.

(l) "Taxiways" shall mean the portion of the Airport used for the purpose of the ground movement of aircraft to, from and between the runways, the Public Ramp and Apron Area, the aircraft parking and storage space and other portions of the Airport (not including, however, any taxiways, the exclusive use of which is granted to the Lessee or any other person by lease, permit or otherwise).

(m) "Aircraft Operator" shall mean (a) a Person owning one or more aircraft which are not leased or chartered to any other person for operation, and (b) a Person to whom one or more aircraft are leased or chartered for operation-- whether the aircraft so owned, leased or chartered are military or non-military, or are used for private business, pleasure or governmental business, or for carrier or non-carrier operations, or for scheduled or nonscheduled operations or otherwise. Said phrase shall not mean the pilot of an aircraft unless he is also the owner or lessee thereof or a person to whom it is chartered.

(n) "Civil Aircraft Operator" shall mean a Person engaged in civil transportation by aircraft or otherwise operating aircraft for civilian purposes, whether governmental or private. If any such Person is also engaged in the operation of aircraft for military, naval or air force purposes, he shall be deemed to be a Civil Aircraft Operator only to the extent that he engages in the operation of aircraft for civilian purposes.

(o)"General Aviation Aircraft Operators" shall mean scheduled commuter aircraft operators and non-scheduled commuter aircraft operators, air taxi, general aviation, and itinerant aircraft operators, and charter aircraft operators operating general aviation aircraft certificated by the Federal Aviation Administration. The terms "general aviation", "air taxi", "itinerant", "scheduled commuter" and "non-scheduled commuter" as used to described aircraft or aircraft operations shall have the meaning ascribed by the Federal Aviation Regulations or, if there be none, common usage in the aviation industry.

(p) "Scheduled Aircraft Operator" shall mean a Civil Aircraft Operator engaged in transportation by aircraft operated wholly or in part on regular flight as to and from the Airport in accordance with published schedules; but so long as the Federal Aviation Act of 1958, or any similar federal statute providing for the issuance of Foreign Air Carrier Permits or Certificates of Public Convenience and Necessity or substantially similar permits or certificates, is in effect, no person shall be deemed to be a Scheduled Aircraft Operator within the meaning of this Lease unless he also holds such a permit or certificate. It is specifically understood, however, that the term "Scheduled Aircraft Operator" shall not or shall not be deemed to include a scheduled commuter aircraft operator.

(q) "Unamortized Capital Investment" shall mean for purposes of this Lease, the amount of the Lessee's investment in the premises arising out of the performance by the Lessee of the construction work pursuant to and as set forth in Section 2 of this Lease with respect to the premises after deduction therefrom of an amount equivalent to an allowance for depreciation and amortization. Such allowance will be computed on a straight-line basis from the date of the completion of the premises or January 1, 1989, whichever is earlier, to the end of the Lease.

The foregoing computation to be made shall not take into consideration the effect of accelerated amortization, if any, granted to or taken by the Lessee on its books or otherwise under the provisions of Section 168(a) of Title 26 USCA or similar legislation hereafter enacted.

For purposes of this paragraph (q), the Lessee's investment in the premises shall be equal to the sum of: (i) the amounts paid by the Lessee to independent contractors for work actually performed and labor and materials actually furnished in connection with the construction work on the site as set forth in and pursuant to Section 2 of the Lease; and (ii) the payments made and expenses incurred by the Lessee, in connection with such construction, for engineering, architectural, professional and consulting services and the supervision of construction, provided, however, that such payments and expenses pursuant to this item (ii) shall not exceed 10% of the amounts described in item (i); in each case, as the above-mentioned amounts, payments and expenses are evidenced, from time to time, by certificates of a responsible fiscal officer of the Lessee, sworn to before a Notary Public and delivered to the Port Authority, which certificates shall (a) set forth, in reasonable

detail, the amounts paid to specified independent contractors, the payments made to other specified persons and the other expenses incurred by the Lessee, which have not previously been reported in certificates delivered to the Port Authority, (b) have attached thereto reproduction copies or duplicate originals of the invoices of such independent contractors and other persons acknowledging the receipt by them of such amounts and payments, and (c) certify that the amounts, payments and expenses therein set forth constitute portions of the Lessee's investment in the premises for the purposes of this Lease.

(r) "Person" shall mean not only a natural person, corporation or other legal entity, but shall also include two or more natural persons, corporations or other legal entities, acting jointly as a firm, partnership, unincorporated association, joint venturers or others.

Section 50. The Aircraft Fueling Service

(a) The Lessee shall conduct the business of selling aviation fuel and aircraft lubricants or dispensing the same into plane for aircraft operated by air taxi, scheduled commuter, general aviation and itinerant aircraft operators adequate to meet all demands therefor at the Airport upon request therefor by the operators of such aircraft (herein called "the Aircraft Fueling Service").

The Lessee shall have available and shall sell in the Aircraft Fueling Service the types of aviation fuel and aircraft lubricants used by the customer's aircraft including, but not limited to, Jet A type fuel and 100 octane aviation gasoline and shall conduct the Aircraft Fueling Service in accordance with the highest standards for safety and security in the aircraft fueling industry and in accordance with the procedures contained in the Port Authority's Rules and Regulations as they may be supplemented and amended from time to time.

(b) The Lessee understands and agrees that the Lessee shall utilize the aviation Fuel Storage Facilities at the Airport in conducting the Aircraft Fueling Service and to that end it is recognized that the Lessee has obtained from the Port Authority a fuel storage permit dated as of April 1, 1984 and bearing Port Authority identification number ANA-101 permitting the Lessee to store in the said aviation fuel storage facilities aviation fuel of the type described in subparagraph (a) above for delivery into aircraft operated by air taxi, scheduled commuter, general aviation and itinerant aircraft operators. Notwithstanding the foregoing, however, it is expressly understood and agreed that neither the foregoing nor anything contained herein shall, with respect to the said permit ANA-101, limit, modify, affect or restrict the rights of revocation and termination of the Port Authority or the Lessee thereunder, nor guarantee any extension of said permit; and it is further understood and agreed, that neither the exercise by the Port Authority of its right of revocation or termination of said permit, nor the exercise by the Lessee of its right of termination of said permit, shall affect the continuance of this Lease or the obligations of the Lessee

hereunder, including but not limited to the obligation of the Lessee to conduct the Aircraft Fueling Service, as long as the Port Authority has an arrangement at the Airport whereby a fixed base operator at the Airport can obtain aviation fuel.

(c) With respect to the Aircraft Fueling Service, the Lessee understands and agrees that the Lessee shall, at its sole cost and expense, supply, furnish and maintain commencing on the commencement date of the term of the letting hereunder and throughout the balance of the term of this Agreement such equipment, furnishings and supplies, including, but not limited to, a sufficient number of fueling trucks as are necessary for the operation of the Aircraft Fueling Service as set forth herein. Without limiting the foregoing, the Lessee agrees that the said equipment and fueling trucks and each and every part thereof shall at all times be kept by the Lessee in first-class condition to and in the highest standard of maintenance, repair and cleanliness.

Without limiting the generality of any other term or provision hereof the Lessee understands and agrees that the Lessee shall supply, furnish and maintain, throughout the term of the letting hereunder such equipment, furnishings and supplies, including, but not limited to, a sufficient number of fueling trucks meeting the specifications contained in the Port Authority Rules and Regulations including, but not limited to, the Part thereof entitled "Fueling Equipment", (Sections 420/0-00 to 422/4-17) as the same may be supplemented and amended from time to time, as are necessary for the operation of the Aircraft Fueling Service.

(d) It is hereby recognized that the Port Authority has heretofore entered into agreements of lease with various Aircraft Operators at the Airport, which agreements, made as of various dates, as the same may have heretofore or may hereafter be supplemented or amended, are herein collectively referred to as "Master Leases", which contain provisions governing the aviation fuel storage facilities, the receipt, storage and distribution of aviation fuel and the Underground Fuel Distribution System at the Airport and the payment of fuel gallonage fees. It is also hereby recognized that under the provisions of the Master Leases the Port Authority reserves the right, in its discretion, and from time to time, to enlarge or reduce or modify the said aviation fuel storage facilities and Underground Fuel Distribution System at the Airport, to make changes in and to the design thereof and to make other changes which it may deem necessary or desirable. The Lessee's use of the aviation fuel storage facilities shall be subject to and in accordance with the provisions of the Master Leases.

Section 51. Relationship of the Parties

This Agreement does not constitute the Lessee as the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint adventure is hereby created, notwithstanding the fact that the Percentage Rental to be paid hereunder is to be determined on the basis of the gross receipts from the Lessee's operations hereunder.

Section 52. Existing Sublease Agreements

The Port Authority recognizes that the Lessee has heretofore entered into various sublease agreements with certain General Aviation Aircraft Operators (hereinafter called "the Existing Sublease Agreements") covering the occupancy of space in the premises then leased to the Lessee under "lease AN-267", as defined in Section 58 (b) hereof, and that the Port Authority has approved or consented to the same. Without limiting the provisions of Section 23 hereof, the Port Authority has no objection to the continuance in effect under the Lease of all or any of the Existing Sublease Agreements subject to the terms and conditions under which said Existing Sublease Agreements are now in effect, and subject to the terms and conditions of Port Authority Consent to Sublease Agreements now in effect, which include but are not limited to the right of the Port Authority to revoke the consent granted to any such Existing Sublease Agreement without cause. The Lessee shall prior to the execution of this Agreement submit to the Port Authority for its approval and for the execution of such form of Consent Agreement as the Port Authority may determine such Existing Sublease Agreements with such sublessees as the Lessee wishes to continue. It is hereby specifically understood and agreed that no consent given hereunder by the Port Authority shall be for the term of the Lease but shall be for an indefinite period or for such fixed term as consented to by the Port Authority and in all cases subject to revocation by the Port Authority without cause on thirty (30) days' notice.

Section 53. Quiet Enjoyment

The Port Authority covenants and agrees that as long as it remains the lessee of the Airport the Lessee, upon paying all rentals and fees hereunder and performing all the covenants, conditions and provisions of this Agreement on its part to be performed, shall and may peacefully and quietly have and enjoy the premises free of any act or acts of the Port Authority except as expressly agreed upon in this Agreement.

The Port Authority covenants that, during the term of this Agreement, the Port Authority will not take any action which would amount to or have the effect of cancelling, surrendering or terminating the Basic Lease prior to the date specified in the Basic Lease for its expiration insofar as such surrender, cancellation or termination would in any manner deprive the Lessee of any of its rights, licenses or privileges under this Agreement.

Nothing herein contained shall prevent the Port Authority from entering into an agreement with the City of Newark pursuant to which the Basic Lease is surrendered, cancelled or terminated provided that the City of Newark, at the time of such agreement, assumes the obligations of the Port Authority under this Agreement.

Nothing contained in this Agreement shall be deemed a waiver by the Lessee of any of its rights, licenses or privileges under this Agreement in the event that the Basic Lease should be surrendered, cancelled or terminated prior to the date specified in the Basic Lease for its expiration.

Section 54. Labor Harmony Obligation

The Lessee shall use its best efforts to assure labor harmony in all operations under this Agreement and to such end the Lessee shall make all reasonable efforts not to retain any contractor or agent or employ or allow employment of any person or use or have or allow the use or possession of any equipment or materials or allow a condition to exist if any such is likely to cause or contribute to labor complaints, troubles, disputes or controversies either at the premises or elsewhere at the Airport. The Lessee shall keep the Port Authority informed as to any impending or existing labor disturbances and shall apprise the Port Authority of the cause for the grievance or disturbance and the steps proposed to be taken by the Lessee to rectify the same.

If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Lessee at the Airport or against any of the Lessee's operations pursuant to this Agreement which in the opinion of the Port Authority adversely affects the operation of the Airport or the operations of airlines, transportation services or other transportation related lessees or permittees at the Airport whether or not the same is due to the fault of the Lessee or is caused by its employees or others, the Port Authority shall have the right at any time during the continuance thereof by notice to the Lessee to suspend the Lessee's operations hereunder effective at the time specified in the notice and during such suspension the Lessee shall cease activities and operations in the premises and shall take such steps to secure and protect the premises as shall be necessary or desirable. The Lessee shall advise the Port Authority in writing when the cause of the suspension has been cured and if the Port Authority agrees that it has been so cured it shall notify the Lessee in writing and the period of suspension shall end upon receipt by the Lessee of such notification from the Port Authority.

Section 55. Late Charges

If the Lessee should fail to pay any amount required to be paid by the Lessee under this Agreement when due to the Port Authority, including without limitation any payment of Ground Rental, Percentage Rental or other rental or any payment of other fees, amounts or 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 amount remains 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 rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in Section 4 hereof. 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 25 of this Agreement or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 56. Non-Exclusivity

The rights and privileges granted to the Lessee are non-exclusive and neither the granting of such rights and privileges nor anything contained herein shall be construed to prevent or limit the granting by the Port Authority of similar rights and privileges at the Airport to another or to others whether by use of this form of lease or otherwise.

Section 57. Additional Right of Termination of the Port Authority

(a) In addition to any and all other rights of termination herein provided in this Agreement, the Port Authority shall have the right to terminate this Agreement and the letting hereunder as to all of the premises, without cause, at any time after January 1, 1991, upon one hundred twenty (120) days prior written notice to the Lessee. It is hereby understood and agreed that as used herein the words "without cause" shall mean that the Port Authority's exercise of the right of termination herein provided shall be for other than the reasons specified in the Section of this Lease governing termination based on events of default or in the Section entitled "Condemnation". In the event of the termination of the Agreement pursuant to this Section, the Agreement and the letting hereunder shall cease and expire as to all of the premises as if the effective date of termination stated in the notice were the date originally stated herein for the expiration of the Agreement. Although it is expressly understood and agreed as aforesaid that the Port Authority's right to terminate is without cause, the Port Authority agrees to specify in the aforesaid notice the reason for which it has elected to terminate this Agreement, which the Port Authority agrees shall not be for the purpose of awarding to a new lessee a new lease for the premises hereunder for the purposes stated in the Section of this Agreement entitled "Use of the Premises" for the then remaining balance of the term of this Agreement The Port Authority agrees that it shall act in good faith and not arbitrarily in exercising its right of termination.

(b) In the event the Port Authority exercises its right hereunder to terminate the lease at any time after January 1, 1991 and the Lease is in fact terminated , the Port Authority shall reimburse the Lessee for its Unamortized Capital Investment, as defined in paragraph (q) of Section 49 hereof; provided, however, that in no event shall, for the purposes of the foregoing payment, the Lessee's capital investment upon which said payment is to be based exceed the sum of Six Million Dollars ($6,000,000).

(c) Nothing herein shall or shall be deemed to limit, waiver affect or modify the provisions of Section 56 hereof.

Section 58. Surrender of Prior Leases

(a) The Lessee and the Port Authority have heretofore entered into an agreement of lease covering, among other matters, the letting of certain premises at the Airport, as more fully set forth therein, which agreement of lease bears Port Authority No. AN-998, is dated November 7, 1983 and, as the same may have been heretofore supplemented or amended, is herein called "lease AN-998". The Lessee shall, either prior to its execution and delivery of this Agreement or simultaneously therewith, execute and deliver to the Port Authority a surrender agreement as prepared by the Port Authority (the form of such surrender agreement being attached hereto as Exhibit D) under which the Lessee agrees to surrender to the Port Authority lease AN-998 and all of the premises the Lessee has a right to occupy thereunder, effective as of December 31, 1985.

(b) The Lessee and the Port Authority have heretofore entered into an agreement of lease covering, among other matters, the letting of certain premises at the Airport, as more fully set forth therein, which agrement of lease bears Port Authority No. AN-267, is dated March 1, 1956 and, as the same may have been heretofore supplemented or amended, is herein called "lease AN-267". The Lessee shall, either prior to its execution and delivery of this Agreement or simultaneously therewith, execute and deliver to the Port Authority a surrender agreement as prepared by the Port Authority (the form of such surrender agreement being attached hereto as Exhibit E) under which the Lessee agrees to surrender to the Port Authority lease AN-267 and all of the premises the Lessee has a right to occupy thereunder, effective as of December 31, 1985.

Section 59. Entire Agreement

This Agreement consists of the following: Sections 1 through 59, inclusive, Schedules A and E and Exhibits A, B, C, D and E. It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee 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 the day and year first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Director of Aviation Operations

(Seal)

ATTEST:

Thomas M. Masterson
ASST. Secretary

BUTLER AVIATION-NEWARK, INC.

By

(Title) President

(Corporate Seal)

APPROVED:

FORM	TERMS

SCHEDULE A

The Lessee shall pay the Ground Rental at the rate and at the time stated in paragraph (a) of Item I of Section 4 of the Agreement to which this Schedule is attached (which Agreement is hereinafter sometimes called "the Lease"), as said rate is to be adjusted as of the Ground Rental commencement date, until the said rate is further adjusted, all as hereinafter provided. After the close of calendar year 1986 and after the close of each calendar year thereafter, the Port Authority will adjust the Airport Services Factor of the annual rental specified in paragraph (b) of Item I of Section 4 of the Agreement, upwards or downwards, as follows:

I. The Port Authority shall determine the total of the following major elements of costs actually incurred or accrued during the calendar year for which the adjustment is being made, in connection with Airport Services:

(a) Fixed charges on Port Authority investment in Airport Services.

(b) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers and other costs for operation, maintenance, repairs and replacements charged directly to Airport Services, and the pro rata share of the cost of snow and ice removal; such costs, however, to exclude those charged to Port Authority non-revenue producing areas.

(c) The Port Authority's cost of direct labor, materials, payments to contractors and suppliers and other costs charged directly to Policing and Traffic functions at the Airport (whether performed by the Airport Police Section or such other sections or other Port Authority organization unit or units as may hereafter perform the same or similar functions).

(d) The Port Authority's cost of labor which was charged directly to the Airport Manager's Office (or such other Port Authority office or organization unit or units as may hereafter from time to time perform the same or similar functions).

II. The Port Authority shall also determine during the calendar year for which the adjustment is being made the percentage of total developed land area at the Airport occupied by the Lessee's premises.

III. The Port Authority will multiply the Airport Services Factor as stated in paragraph (b) of Item I of Section 4 of the Agreement by a fraction the numerator of which shall be the total of the major elements of costs actually incurred or accrued as determined under Paragraph I, subparagraphs (a) through (d) above and the denominator of which shall be the total of the major elements of costs actually incurred or accrued as determined for the year prior to the year for which the adjustment is being made (for the calendar year 1986 adjustment, it is hereby agreed said denominator shall be $17,848,331); and the resulting product shall be multiplied by a fraction the numerator of which shall be the percentage determined in Paragraph II above and the denominator of which shall be the actual percentage of total developed land area occupied by the Lessee's premises determined for the year prior to the year for which the adjustment is being made (for the calendar year 1986 adjustment, it is hereby agreed said denominator shall be 0.768%).

IV. The resultant product shall constitute the final Airport Services Factor for the calendar year for which the adjustment is being made. It shall also constitute the tentative Airport Services Factor for the calendar year in which such factor is calculated. When the Ground Rental commencement date occurs, the Ground Rental shall be adjusted and the Airport Services Factor then in effect shall be the amount due and payable by the Lessee to the Port Authority. Thereafter the final Airport Services Factor shall be the amount due and payable by the Lessee to the Port Authority for the calendar year so adjusted and for the months which have elapsed since the end of that calendar year. The Lessee shall continue to make payments based on the new tentative Airport Services Factor until the same is further adjusted.

V. In the event more than one Airport Services Factor is in effect during the calendar year for reasons other than the adjustment pursuant to Paragraph IV hereof, the Port Authority will multiply each such Airport Services Factor by the fractions stated in Paragraph III above, except that the percentage to be used as the denominator of the second of the said fractions shall be the percentage in effect at the same time as each such Airport Services Factor is in effect.

VI. In the event more than one Airport Services Factor is in effect during a calendar year for reasons other than the

adjustment pursuant to Paragraph IV hereof, resulting in more than one resultant product after the adjustments pursuant to Paragraph V hereof have been made, the resultant product of that adjustment involving the Airport Services Factor in effect at the end of the calendar year for which the adjustment is being made shall constitute the final Airport Services Factor for the portion of said calendar year during which said Airport Services Factor was in effect. It shall also constitute the tentative Airport Services Factor for the calendar year in which such factor is calculated. All other resultant products shall each constitute the final Airport Services Factor for that portion of the calendar year for which the adjustment is being made during which the respective tentative Airport Services Factor was in effect.

VII. Any deficiency in the rentals and fees due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of the Airport Services Factor of the rentals shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Airport Services Factor shall be credited against future rentals, such credit to be made within thirty (30) days following the adjustment of the Airport Services Factor.

VIII. The following terms, when used in the Agreement, shall, unless the context shall require otherwise, have the respective meanings given below:

(a) "Airport Services" for the purpose of the Agreement shall mean such systems, non-revenue producing areas, operations and functions as may be related to serving the Airport from time to time during the term of the letting including without limitation thereto, air terminal highways (as so designated by the Port Authority from time to time), communications and signals, storm and sanitary sewers, water distribution, and other systems designed to provide utilitarian services to Airport areas, restricted use service highways, non-revenue producing space in structures, facilities, areas or subdivisions thereof necessary to the operations of the Airport, including without limitation thereto, Port Authority administrative, maintenance, policing and operations space.

(b) "Total Developed Land Square Feet on the Airport" shall mean all land within the Airport boundary as the same may be changed from time to time (exclusive, however, of land situated to the north and west of United States Routes 1-9) which is revenue-producing,

including but not limited to all land under lease or permit, land actually developed for a specific use and all land specifically designated as part of the Public Aircraft Facilities.

(c) "Port Authority Investment" as used for the computation of fixed charges shall consist of:

A. Construction costs

(1) payments to contractors and/or vendors and suppliers;

(2) premiums or charges for Performance Bonds;

(3) insurance premiums or charges;

(4) direct payroll and expenses of Port Authority forces engaged in performance or supervision of construction work, charged in accordance with Port Authority accounting practice.

B. Engineering Services

(1) payments to outside consultants and engineering firms;

(2) direct payroll and expenses of Port Authority staff, charged in accordance with Port Authority accounting practice.

C. Land acquisition costs and cost of acquisition of any interest therein, including air rights whether by purchase, lease, condemnation or other taking for a purpose, use or otherwise.

D. Other direct costs charges in accordance with Port Authority accounting practice.

E. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in Port Authority investment (including Financial Expense, "F" below).

F. Financial Expense on the foregoing computed in accordance with Port Authority accounting practice.

(d) "Fixed charges on Port Authority investment" shall mean amortization and interest on Port Authority investment in items completed subsequent to December 31, 1964. Such fixed charges shall be determined on the basis of an equal annual payment method. The interest factor used in determining the fixed charges for all of the foregoing shall be the weighted average coupon rate for the twelve months ending November 30 of each year, rounded to the nearest hundredth percent, on all long-term bonds outstanding, the proceeds of which were made available for construction at the Airport.

(e) The symbol "%" and the words "percentum" and "percent" whenever used herein or in the Agreement shall be deemed to be used synonymously and interchangeably.

For the Port Authority

Initialled:

For the Lessee

SECURITY DRAWING EXEMPT UNDER EX. (4) OF THE CODE

Exhibit B

GUARANTY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as the "Port Authority") is about to enter into the foregoing attached Agreement of Lease (hereinafter referred to as "the Lease") with BUTLER AVIATION-NEWARK, INC. (hereinafter and in the Lease referred to as "the Lessee") which Lease covers the letting of certain premises at Newark International Airport and provides for the payment of rentals and fees by the Lessee, all as more particularly described in the Lease; and

WHEREAS, the Lease imposes certain terms and conditions upon the Lessee including the obligation of the Lessee to procure and maintain with the Port Authority the Guaranty of Butler International, Inc. guaranteeing to the Port Authority the performance by the Lessee of all of the terms and conditions imposed upon the Lessee by the Lease; and

WHEREAS, BUTLER INTERNATIONAL, INC. (hereinafter referred to as "the Guarantor"), a corporation of the State of Delaware having its principal place of business at 110 Summit Avenue, P.O.. Box 480, Montvale, New Jersey 07615 is the absolute and unconditional owner of all of the issued and outstanding voting shares of the capital stock of Butler Aviation International, Inc., a corporation of the State of Delaware having its principal place of business at 110 Summit Avenue, P.O.. Box 480, Montvale, New Jersey 07615, which was organized by and through the efforts of the said Guarantor; and

WHEREAS, the said Butler Aviation International, Inc. is the absolute and unconditional owner of all of the issued and outstanding voting shares of the capital stock of the Lessee which was organized by and through the efforts of said Guarantor; and

WHEREAS, this Guaranty is made in connection with and incidental 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, in order to induce the Port Authority to enter into and execute the Agreement, the Guarantor has offered to

absolutely and unconditionally guarantee the payment by the Lessee of the rentals and other monetary obligations which the Lessee has under the Lease, and the performance, fulfillment and observance by the Lessee of all of the other terms, provisions, covenants and conditions of the Lease on the part of the Lessee to be performed, fulfilled and observed; and

WHEREAS, the execution of the Lease by the Port Authority will inure to the benefit of and enhance, promote and develop the business of the Guarantor;

NOW, THEREFORE, for and in consideration of and as an inducement to the Port Authority to enter into and execute the Lease with the Lessee, the Guarantor does hereby covenant and agree with the Port Authority as follows:

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

2. The Guarantor hereby waives and dispenses with all notice of non-payment, non-observance, non-performance or non-fulfillment or proof of notice or demand to charge the Guarantor therefor and agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall in no wise be terminated, affected or impaired by reason of any failure of the Port Authority to insist upon strict performance by the Lessee under the Lease or by the assertion by the Port Authority against the Lessee of any of the rights or remedies reserved to the Port Authority under the provisions of the Lease, or by the withdrawal, discontinuance or settlement of any judicial or other proceedings brought by the Port Authority against the Lessee.

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

(a) The release or discharge of the Lessee in any creditors', receivership, bankruptcy or other similar proceedings.

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

(c) The rejection or disaffirmance of the Lease in any creditors', receivership, bankruptcy or other similar proceedings.

(d) Any disability or any defense of the Lessee; it being understood that the foregoing shall not preclude either the Guarantor or the Lessee from alleging a defense based on a breach of the Lease by the Port Authority.

4. This Contract of Guaranty shall remain and continue in full force and effect as to any and every renewal, modification or extension of the Lease whether in accordance with the terms of the Lease or by a separate or additional documents, and notwithstanding any such renewal, modification or extension, whether or not the Guarantor has specifically consented to such renewal, modification or extension. The liability of the Guarantor hereunder shall in no way be affected by the failure of the Port Authority to obtain the Guarantor's consent to any such renewal, modification or extension, notwithstanding that the Port Authority may have previously obtained such consent with respect to a prior renewal, 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 Lease 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 Lease 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.

This Guaranty shall inure to the benefit of the Port Authority, its successors and assigns, and shall be binding upon the Guarantor, its successors and assigns.

IN WITNESS WHEREOF, the Guarantor has executed and delivered to the Port Authority this Guaranty the day of , 1987.

ATTEST:

BUTLER INTERNATIONAL, INC.

_____
Secretary

By_____

(Title) President
(Seal)

STATE OF)
ss.
COUNTY OF)

On the day of 1987 , before me personally came , to me known who being by me duly sworn, did depose and say that he resides in ; that he is the _____ President of Butler International, Inc.; the corporation described in and which executed the foregoing instrument of Guaranty; that he well knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

_____
(notarial seal and stamp)

BUTLER INTERNATIONAL, INC.

Certification of Secretary

I, , Secretary of Butler International, Inc., a corporation of the State of Delaware, do hereby certify as follows:

1. Butler International, Inc. is the unconditional and absolute owner of all of the issued and outstanding voting shares of the capital stock of Butler Aviation International, Inc., a corporation of the State of Delaware.

2. Butler Aviation International, Inc. is the unconditional and absolute owner of all the issued and outstanding voting shares of the capital stock of Butler Aviation-Newark, Inc., a corporation of the State of New Jersey.

3. That the following is a full, true and correct copy of a Resolution adopted by a unanimous vote of all of the Directors of Butler International, Inc. present at a meeting of the Board of Directors held on the day of 198 , duly called and held in accordance with law and the charter and by-laws of Butler International, Inc. at which all members of the Board of Directors were present, and that the said Resolution has not been altered or repealed, and is now in full force and effect:

> "RESOLVED, that in order to induce the Port Authority of New York and New Jersey to enter into and execute the foregoing attached Lease with Butler Aviation-Newark, Inc., covering the letting of certain premises at Newark International Airport and providing for the payment of rentals and fees by Butler Aviation-Newark, Inc., all as more particularly set forth in the Lease, this corporation shall at all times during the effective term of the said Lease as the same may be extended, supplemented, or amended, guarantee the obligations of Butler Aviation-Newark, Inc. and the full, punctual and faithful performance of all of the terms, provisions, covenants and conditions to be performed, fulfilled and observed by Butler Aviation-Newark, Inc. under the said Lease; and be it further
>
> "RESOLVED, that in the judgment of the Board of Directors, this action will effectuate the purposes and objectives of this Corporation, and will inure to the benefit of and promote, enhance and develop the business

and assets of this Corporation and will generally promote its best interests; and be it further

"RESOLVED, that the President or Vice-President of this Corporation, be and each of them is hereby authorized and directed to make, execute and deliver to the Port Authority on behalf of and in the name of this Corporation, a written Guaranty, guaranteeing all of the aforesaid obligations of Butler Aviation-Newark, Inc.; and be it further

"RESOLVED, that the officers of this Corporation and each of them are hereby authorized and directed to take such steps, execute such documents and perform such other acts and things on behalf of this Corporation as may be necessary or convenient for the purpose of effecting such Guaranty."

4. That the purpose of this certificate is to induce The Port Authority of New York and New Jersey to enter into an agreement of lease with Butler Aviation-Newark, Inc. covering premises at Newark International Airport, City of Newark and State of New Jersey and with the intent that The Port Authority of New York and New Jersey, its Commissioners, officers, agents and representatives, shall rely on the truth of the matters contained herein.

IN WITNESS WHEREOF, I have signed my name and affixed the corporate seal hereto, this day of 198 .

_____
Secretary of
Butler International, Inc.

(Seal)

_____
For the Port Authority

Initialled:

_____
For the Lessee

EXHIBIT C

The Lessee has submitted to the Port Authority a document attached hereto, entitled "Aircraft Sales Commission Worksheet" which the Lessee advises that it will use in arriving at "the Lessee's profits on sales of aircraft" to be included in the Lessee's gross receipts under Section 4 of the Lease. Without limiting any other terms or provisions of the Lease, it is agreed and understood that the terms appearing on the said Worksheet shall have the respective meanings given below:

I. (a)"Sales Price" shall mean the price paid for the aircraft by the purchaser to the Lessee.

(b) "Additional Equipment, Paint, etc." shall mean the additional revenue to the Lessee of installing avionic, radio and other equipment in the aircraft, and painting of the aircraft and received from the purchaser.

(c) "Other Charges" shall mean the additional amounts billed to the purchaser for flying the aircraft from the point of purchase to the premises of the purchaser (including cost of fuel and landing fees) and other charges not covered by items I(a) and I(b).

(d) "Over Allowances" shall mean the difference between "Trade-In" as defined in (f) below and the "Inventory Value" as defined in (e) below. The aircraft identification number of the trade-in airplane is to be shown in the block marked "No. _____".

(e) "Inventory Value" shall mean the value of an aircraft traded in by the purchaser as assigned by the Lessee and which will be recorded on the Lessee's books and records.

(f) "Trade-In" shall mean the actual allowance made by the Lessee for the trade-in of an aircraft by the purchaser.

(g) "Adjusted Sales Price" shall mean the Sales Price plus Additional Equipment, paint, etc., plus Other Charges, and adjusted for Over Allowance (I(a) through I(d).

II. Costs associated with sale by the Lessee:

(a) "Cost of Aircraft" shall mean the price paid for the aircraft by the Lessee to the seller or the inventory value if the aircraft was taken as a trade-in on another sale.

(b) "Inspection" shall mean costs of direct labor and materials actually expended or incurred by the Lessee in connection with inspections of the aircraft performed by the Lessee in preparation for delivery of the aircraft to the purchaser.

(c) "Delivery Expense" shall mean costs of fuel, flight fees and similar expenses actually paid or incurred by the Lessee for delivery of the aircraft to the purchaser.

(d) "Interest" shall mean the cost of financing or carrying the aircraft inventory actually incurred by the Lessee with respect to its purchase of the aircraft as reflected in the Lessee's books and records from the date of such purchase to the date of the Lessee's sale thereof.

(e) "Flight Training" shall mean the costs of labor and materials actually incurred or expended by the Lessee in connection with the training of the purchaser in the use of the aircraft.

(f) "Work Orders" shall mean the costs of direct labor and parts for work performed on the aircraft actually incurred by the Lessee, and not recoverable from the purchaser, in connection with the preparation of the aircraft for delivery to the purchaser.

(g) "Other" shall mean other costs to be specified on the Worksheet actually incurred by the Lessee in connection with the preparation for delivery of the aircraft to the purchaser.

(h) "Total Costs" shall mean the sum of the above-defined costs, II(a) through II(g) inclusive, associated with the sale of the aircraft by the Lessee.

III. The Lessee's profit:

(a) "Profit Subject to Commission" shall mean the difference between Adjusted Sales Price and Total Costs. (I(g) minus II(h) equals III(a)).

(b) "Commission" shall mean the amount constituting a percentage of the Adjusted Sales Price actually paid by the Lessee to the salesman(men) for the sale of the aircraft.

(c) "Profit Earned by Butler" shall mean the difference between Profit Subject to Commission and Commission

(III(a) minus III(b)); and with respect to each sale of aircraft said amount shall be included in gross receipts under the Lease.

It is specifically understood and agreed that nothing contained in this Exhibit C shall or shall be deemed to alter, modify, limit or diminish the terms, covenants and conditions of the Lease, and that, in particular, the obligations imposed on the Lessee pursuant to Sections 4 and 6 hereof shall pertain and apply in all respects to the Lessee's sales of aircraft.

For the Port Authority

Initialled

For the Lessee

AIRCRAFT SALES COMMISSION WO SHEET

DATE OF SALE _____

A/C Make _____ A/C Model _____ S/N _____

Date Acq. _____/_____/_____ Acquired from: Factory_____ Trade-in_____ Other_____/

ales Price $ _____

dditional Equipment, Paint, Etc. $ _____

ther Charges (Specify _____) $ _____

ver Allowance on No._____ (Trade-in_____ Inv. Value_____) $ _____

djusted Sales Price $ _____

osts Associated with Sale

ost of Aircraft $ _____

nspection $ _____

elivery Expense $ _____

terest $ _____

ight Training $ _____

rk Orders #_____, #_____, #_____, #_____ $ _____

#_____, #_____, #_____, #_____ $ _____

her (Specify _____) $ _____

tal Costs $ _____

ofit subject to commission $ _____

mmission (_____) _____

ofit Earned by Butler $ _____

Approved by _____

d to _____ $ _____ and _____ $ _____

ck #_____ Date _____ Check #_____ Date _____

Initialled: _____ For the Port Authority _____ For the Lessee

EXHIBIT D

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

(Lease No. AN-998)

THIS AGREEMENT, dated as of ----------, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and BUTLER AVIATION-NEWARK, INC., a corporation of the State of New Jersey having an office and place of business at 110 Summit Avenue, P. O. Box 460, Montvale, New Jersey 07645 (hereinafter called "the Tenant"),

WITNESSETH, That:

WHEREAS, by lease dated as of November 7, 1983 (which lease, as the same may have been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Tenant and the Tenant hired and took from the Port Authority, for a term expiring on the last day of the month during which the thirtieth (30th) anniversary of the Phase I Completion Date, as defined therein, occurs, or on August 31, 2014, whichever date first occurs, certain premises at Newark International Airport (hereinafter called "the Airport") as more particularly described in the Lease; and

WHEREAS, the Tenant being presently in possession under the Lease, desires to terminate its occupancy of all of the premises under the Lease (the said premises being hereinafter called "the premises"), and to surrender the same to the Port Authority effective as of December 31, 1985 at 11:59 o'clock P.M., which date and hour are hereinafter collectively called "the effective date"; and

WHEREAS, the Port Authority is willing to accept such surrender on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Tenant hereby agree as follows:

1. The Tenant has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, the premises and the term of years with respect thereto under the Lease yet to come and has given, granted and surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Tenant granted by the Lease with respect to the premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options with respect to the premises may be wholly merged, extinguished and determined on the effective date, with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on the effective date;

TO HAVE AND TO HOLD the same unto the Port Authority, its successors and assigns forever.

2. The Tenant hereby covenants on behalf of itself, its successors and assigns that, with the sole exception of the "Exxon Sublease" as defined in and subject to the provisions of paragraph 7 below, (a), it has not done or suffered and will not do or suffer anything whereby the premises, or the Tenant's leasehold therein, has been or shall be encumbered as of the effective date in any way whatsoever; (b) the Tenant is and will remain until the effective date the sole and absolute owner of the leasehold estate in the premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the effective date free and clear of all liens and encumbrances of whatsoever nature; and (c) the Tenant has full right and power to make this Agreement.

3. All promises, covenants, agreements and obligations of the Tenant with respect to the premises, under the Lease or otherwise, which under the provisions thereof would have matured upon the date originally fixed in the Lease for the expiration of the term thereof, or upon the termination of the Lease prior to the said date, or within a stated period after expiration or termination, shall notwithstanding such provisions, mature upon the effective date and shall survive the execution and delivery of this Agreement.

4. The Tenant has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be

performed under the Lease with respect to the premises. The Port Authority does by these presents release and discharge the Tenant from any and all obligations on the part of the Tenant to be performed under the Lease with respect to the premises for that portion of the term subsequent to the effective date; it being understood that nothing herein contained shall release, relieve or discharge the Tenant from any liability for rentals or for other charges with respect to the premises that may be due or become due to the Port Authority for any period or periods prior to the effective date, or for breach of any other obligation on the Tenant's part to be performed under the Lease for or during such period or periods or maturing pursuant to paragraph 3 above.

5. In consideration of the making of this Agreement by the Port Authority and the above described release, the Tenant hereby agrees to terminate its occupancy of the premises and to deliver actual, physical possession of the premises to the Port Authority, on or before the effective date, in the condition required by the Lease upon surrender. The Tenant further agrees that it shall remove from the premises, prior to the effective date, all equipment, inventories, removable fixtures and other personal property of the Tenant or for which the Tenant is responsible. With respect to any such property not so removed, the Port Authority may at its option, as agent for the Tenant and at the risk and expense of the Tenant, remove such property to a public warehouse or may retain the same in its own possession and in either event, after the expiration of thirty (30) days, may sell or consent to the sale of the same at a public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, and second to any sums owed by the Tenant to the Port Authority; any balance remaining shall be paid to the Tenant. The Tenant shall pay to the Port Authority any excess of the total cost of removal, storage and sale over the proceeds of sale. It is recognized that the Tenant performed certain site preparation work in connection with the construction work under the Lease, and it is hereby agreed that said site preparation work shall be left in place by the Tenant and shall be and remain the property of the Port Authority, and further, without limiting any other term or provision hereof, that the Tenant shall not be reimbursed by the Port Authority for any of its costs in connection with said sitework or any other part of the construction work under the Lease.

6. It is hereby acknowledged that under the terms of the Lease the Tenant is obligated to commence payment of the Ground Rental thereunder on September 1, 1985, and it is hereby agreed that any and all payments received by the Port Authority on account of the Ground Rental under the Lease for the period from September 1, 1985 to December 31, 1985 shall be

credited by the Port Authority against the Ground Rental payable by the Tenant under the new separate agreement of lease entered into between the Port Authority and the Tenant covering the Hangar 12 site at the Airport and bearing lease number ANA-273.

7. It is recognized that the Tenant has heretofore entered into a sublease agreement with Exxon Corporation (hereinafter referred to as "Exxon") made as of February 17, 1984, as amended by an Amendment Agreement between the Tenant and Exxon dated March 12, 1984 and two letter agreements dated April 4, 1984 and May 16, 1984 (said agreements being herein collectively called the "Exxon Sublease"), under which the Lessee subleased a portion of the premises to Exxon, and that the Exxon Sublease was consented to by the Port Authority pursuant to a Consent to Sublease Agreement entered into among the Port Authority, the Tenant and Exxon and dated May 29, 1984. The Tenant hereby expressly represents and warrants to the Port Authority that the Tenant has entered into a surrender agreement with Exxon whereby Exxon has agreed to and thereby does surrender the Exxon Sublease and all of the subleased premises thereunder and all of its rights therein effective as of a date no later than December 31, 1985.

8. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Tenant with any liability, or held liable to it under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Tenant agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

IN WITNESS WHEREOF, the Port Authority and the Tenant have executed these presents as of the date first above written .

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By_____

(Title)_____
(Seal)

ATTEST:

BUTLER AVIATION-NEWARK, INC.

_____
Secretary

By_____

(Title)_____ President
(Seal)

_____
For the Port Authority

Initialled:

_____
For the Lessee

EXHIBIT E

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

(Lease No. AN-267)

THIS AGREEMENT, dated as of ----------, by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority"), and BUTLER AVIATION-NEWARK, INC., a corporation of the State of New Jersey having an office and place of business at 110 Summit Avenue, P. O. Box 460, Montvale, New Jersey 07645 (hereinafter called "the Tenant"),

WITNESSETH, That:

WHEREAS, by lease dated as of March 1, 1956 (which lease, as the same may have been supplemented and amended, is hereinafter called "the Lease") the Port Authority let to the Tenant and the Tenant hired and took from the Port Authority, for a term which has been extended to January 31, 1986 and month-to-month thereafter as a periodical tenancy, certain premises at Newark International Airport (hereinafter called "the Airport") as more particularly described in the Lease; and

WHEREAS, the Tenant being presently in possession under the Lease, desires to terminate its occupancy of all of the premises under the Lease (the said premises being hereinafter called "the premises"), and to surrender the same to the Port Authority effective as of December 31, 1985 at 11:59 o'clock P.M., which date and hour are hereinafter collectively called "the effective date"; and

WHEREAS, the Port Authority is willing to accept such surrender on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the Port Authority and the Tenant hereby agree as follows:

1. The Tenant has granted, bargained, sold, surrendered and yielded up and does by these presents grant, bargain, sell, surrender and yield up unto the Port Authority, its successors and assigns, forever, the premises and the term of years with respect thereto under the Lease yet to come and has

given, granted and surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Tenant granted by the Lease with respect to the premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options with respect to the premises may be wholly merged, extinguished and determined on the effective date, with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on the effective date;

TO HAVE AND TO HOLD the same unto the Port Authority, its successors and assigns forever.

2. The Tenant hereby covenants on behalf of itself, its successors and assigns that (a) it has not done or suffered and will not do or suffer anything whereby the premises, or the Tenant's leasehold therein, has been or shall be encumbered as of the effective date in any way whatsoever; (b) the Tenant is and will remain until the effective date the sole and absolute owner of the leasehold estate in the premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the effective date free and clear of all liens and encumbrances of whatsoever nature; and (c) the Tenant has full right and power to make this Agreement.

3. All promises, covenants, agreements and obligations of the Tenant with respect to the premises, under the Lease or otherwise, which under the provisions thereof would have matured upon the date originally fixed in the Lease for the expiration of the term thereof, or upon the termination of the Lease prior to the said date, or within a stated period after expiration or termination, shall notwithstanding such provisions, mature upon the effective date and shall survive the execution and delivery of this Agreement.

4. The Tenant has released and discharged and does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the premises. The Port Authority does by these present release and discharge the Tenant from any and all obligations on the part of the Tenant to be performed under the Lease with respect to the premises for that portion of the term subsequent to the effective date; it being understood that nothing herein contained shall release, relieve or discharge the Tenant from any liability for rentals or for other charges with respect to the premises that may be due or

become due to the Port Authority for any period or periods prior to the effective date, or for breach of any other obligation on the Tenant's part to be performed under the Lease for or during such period or periods or maturing pursuant to paragraph 3 above.

5. It is hereby agreed that any and all payments received by the Port Authority on account of the Ground Rental under the Lease after January 1, 1986 shall be credited by the Port Authority against the Ground Rental payable by the Tenant under the new separate agreement of lease entered into between the Port Authority and the Tenant covering the Hangar 12 premises at the Airport and bearing lease number ANA-273.

6. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Tenant with any liability, or held liable to it under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Tenant agrees that no representations or warranties with respect to this Agreement shall be binding upon the Port Authority unless expressed in writing herein.

IN WITNESS WHEREOF, the Port Authority and the Tenant have executed these presents as of the date first above written .

ATTEST:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

_____
Secretary

By_____

(Title)_____
(Seal)

ATTEST:

BUTLER AVIATION-NEWARK, INC.

_____
Secretary

(Title)_____ President
(Seal)

_____
For the Port Authority

Initialled:

_____
For the Lessee

SCHEDULE E

PART I

Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter and in Section 2(c)(18) of Port Authority Agreement No. ANA-273 (herein called "the Lease") with Butler Aviation-Newark, Inc. (herein called "the Lessee"). These provisions are similar to the conditions for bidding on federal government contracts adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee as well as each bidder, contractor or subcontractor of the Lessee (herein collectively referred to as "the Contractor") must fully comply with the following conditions set forth in this Schedule as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation: 32%

(2) Female participation: 6.9%

These goals are applicable to all the Contractor's construction work performed in and for the premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Manager of the Equal Opportunity Programs Unit of the Port Authority within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America

and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO"). The evaluation of the Contractor's compliance with these provisions shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each phase of the construction

project. The Contractor, shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management

personnel and with all minority and female employees at least one a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in other areas of a Contractor's workforce.

(11) Tests and other selection requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel. For promotional opportunities and encourage these

employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that the Contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority.

Consequently, the Contractor may be in violation hereof if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation hereof if a specific minority group of women is under-utilized).

(k) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

(l) The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (h) hereof so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of these provisions, the Lessee shall proceed accordingly.

(o) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

(p) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents

(e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

PART II

MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule E and in accordance with Section 2(c)(18) of the Lease. For purposes hereof, Minority Business Enterprise (MBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, Women-owned Business Enterprise (WBE) shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least ten percent (10%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and that at least one percent (1%) of the total dollar value of the construction contracts (including subcontracts) are for the participation of Women-owned Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following.

(a) Dividing the Work to be subcontracted into smaller portions where feasible.

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made

to provide for meaningful MBE and WBE participation in the Work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

(c) Making plans and specifications for prospective construction work available to MBEs and WBEs in sufficient time for review.

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

(e) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee and Contractor will meet their obligations hereunder.

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

For the Port Authority

Initialled:

For the Lessee

FORM XLD—Ack., N.J. 51380

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

On this 23rd day of November, 19 87, before me, the subscriber, a notary public of New York, personally appeared Morris Sloane the Director of Aviation Operations 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.

Anita E. Westrich
(notarial seal and stamp)

ANITA E. WESTRICH
Notary Public, State of New York
No. 43-4656184
Qualified in Richmond County
Commission Expires 4/30/89

STATE OF New Jersey }
COUNTY OF Bergen } ss.

On this 21st day of April, 19 87, before me, the subscriber, a notary public, personally appeared E. Nelle, JR. the President of Butler Aviation-Newark, Inc. 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 Directors.

MAUREEN A. MAHONEY GESNER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 9, 1989

Maureen Mahoney Gesner
(notarial seal and stamp)

~~STATE OF~~ }
COUNTY OF } ss.

Be it remembered that on this _____ day of _____, 19____, before me, the subscriber, a _____, personally appeared _____ who I am satisfied is the person named in and who executed the within instrument; and, I having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

_____
(notarial seal and stamp)

F. NEW-273

AVIATION DEPT.
FILECOPY

GUARANTY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as the "Port Authority") is about to enter into the foregoing attached Agreement of Lease (hereinafter referred to as "the Lease") with BUTLER AVIATION-NEWARK, INC. (hereinafter and in the Lease referred to as "the Lessee") which Lease covers the letting of certain premises at Newark International Airport and provides for the payment of rentals and fees by the Lessee, all as more particularly described in the Lease; and

WHEREAS, the Lease imposes certain terms and conditions upon the Lessee including the obligation of the Lessee to procure and maintain with the Port Authority the Guaranty of Butler International, Inc. guaranteeing to the Port Authority the performance by the Lessee of all of the terms and conditions imposed upon the Lessee by the Lease; and

WHEREAS, BUTLER INTERNATIONAL, INC. (hereinafter referred to as "the Guarantor"), a corporation of the State of Delaware having its principal place of business at 110 Summit Avenue, P.O.. Box 480, Montvale, New Jersey 07615 is the absolute and unconditional owner of all of the issued and outstanding voting shares of the capital stock of Butler Aviation International, Inc., a corporation of the State of Delaware having its principal place of business at 110 Summit Avenue, P.O.. Box 480, Montvale, New Jersey 07615, which was organized by and through the efforts of the said Guarantor; and

WHEREAS, the said Butler Aviation International, Inc. is the absolute and unconditional owner of all of the issued and outstanding voting shares of the capital stock of the Lessee which was organized by and through the efforts of said Guarantor; and

WHEREAS, this Guaranty is made in connection with and incidental 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, in order to induce the Port Authority to enter into and execute the Agreement, the Guarantor has offered to absolutely and unconditionally guarantee the payment by the Lessee of the rentals and other monetary obligations which the Lessee has under the Lease, and the performance, fulfillment and observance by the Lessee of all of the other terms, provisions, covenants and conditions of the Lease on the part of the Lessee to be performed, fulfilled and observed; and

WHEREAS, the execution of the Lease by the Port Authority will inure to the benefit of and enhance, promote and develop the business of the Guarantor;

NOW, THEREFORE, for and in consideration of and as an inducement to the Port Authority to enter into and execute the Lease with the Lessee, the Guarantor does hereby covenant and agree with the Port Authority as follows:

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

2. The Guarantor hereby waives and dispenses with all notice of non-payment, non-observance, non-performance or non-fulfillment or proof of notice or demand to charge the Guarantor therefor and agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall in no wise be terminated, affected or impaired by reason of any failure of the Port Authority to insist upon strict performance by the Lessee under the Lease or by the assertion by the Port Authority against the Lessee of any of the rights or remedies reserved to the Port Authority under the provisions of the Lease, or by the withdrawal, discontinuance or settlement of any judicial or other proceedings brought by the Port Authority against the Lessee.

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

(a) The release or discharge of the Lessee in any creditors', receivership, bankruptcy or other similar proceedings.

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

(c) The rejection or disaffirmance of the Lease in any creditors', receivership, bankruptcy or other similar proceedings.

(d) Any disability or any defense of the Lessee; it being understood that the foregoing shall not preclude either the Guarantor or the Lessee from alleging a defense based on a breach of the Lease by the Port Authority.

4. This Contract of Guaranty shall remain and continue in full force and effect as to any and every renewal, modification or extension of the Lease whether in accordance with the terms of the Lease or by a separate or additional documents, and notwithstanding any such renewal, modification or extension, whether or not the Guarantor has specifically consented to such renewal, modification or extension. The liability of the Guarantor hereunder shall in no way be affected by the failure of the Port Authority to obtain the Guarantor's consent to any such renewal, modification or extension, notwithstanding that the Port Authority may have previously obtained such consent with respect to a prior renewal, 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 Lease 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 Lease 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.

This Guaranty shall inure to the benefit of the Port Authority, its successors and assigns, and shall be binding upon the Guarantor, its successors and assigns.

IN WITNESS WHEREOF, the Guarantor has executed and delivered to the Port Authority this Guaranty the 29th day of April, 1987.

ATTEST:

Thomas H. Masterson
ASST. Secretary

BUTLER INTERNATIONAL, INC.

By

(Title) Senior Vice President &
(Seal) General Counsel

APPROVED:
FORM | TERMS

BAN 273-187

STATE OF NEW JERSEY)
ss.
COUNTY OF BERGEN)

On the 29th day of April 1987, before me personally came DOMINICK A. DATTILO, to me known who being by me duly sworn, did depose and say that he resides in 129 Norwood Avenue, Upper Montclair, N.J. that he is the Senior Vice President of Butler International, Inc.; the corporation described in and which executed the foregoing instrument of Guaranty; that he well knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Maureen Mahoney Gesner
(notarial seal and stamp)

MAUREEN A. MAHONEY GESNER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 9, 1989

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

AVIATION DEPT.
FILE COPY

Newark International Airport
Lease No. ANA-273
Supplement No. 1

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of May 15, 1991 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called "the Port Authority") and BUTLER AVIATION-NEWARK, INC. (hereinafter called "the Lessee"),

WITNESSETH, That:

WHEREAS, by an agreement of lease dated as of January 1, 1986 (which agreement of lease as the same may have been supplemented and amended, is hereinafter referred to as "the Lease") the Port Authority leased and granted to the Lessee certain premises rights and privileges at Newark International Airport as more particularly described in the Lease; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain respects;

NOW, THEREFORE, the Port Authority and the Lessee hereby agree to amend the Lease, effective as of May 15, 1991, as follows:

1. Section 59 of the Lease now entitled "Entire Agreement" shall be deemed renumbered as Section 60, deemed to state that there are 60 sections in the Lease, and a new section 59 shall be deemed added to the Lease reading as follows:

"<u>Section 59. Security Deposit or Letter of Credit</u>

(a) In addition to and without limiting the provisions of Section 47 hereof, upon the execution of Supplemental Agreement No. 1 of the Lease (of which this provision forms a part) by the Lessee and delivery thereof to the Port Authority, the Lessee shall deposit with the Port Authority (and shall keep deposited throughout the letting under this Agreement) either the sum of Fifty Thousand Dollars and No Cents ($50,000.00) in cash, or bonds of the United States of America, or of the State of New York, or of the State of New Jersey, or of The Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and

compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of this Agreement on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Lessee may deposit hereunder such bond or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Lessee) in a manner satisfactory to the Port Authority. The Lessee may request the Port Authority to accept a registered bond in the Lessee's name and if acceptable to the Port Authority the Lessee shall deposit such bond together with a bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Lessee any expenses incurred by the Port Authority in re-registering a bond to the name of the Lessee shall be borne by the Lessee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Agreement on the part of the Lessee. With respect to any bonds deposited by the Lessee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Lessee, to sell the same in whole or in part, at any time and from time to time, with or without prior notice, at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Lessee. The Lessee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Lessee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Lessee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the

above mentioned amount, the Lessee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Section. After the expiration or earlier termination of the letting under this Agreement as the said letting may have been extended, and upon condition that the Lessee shall then be in no wise in default under any part of this Agreement, as this Agreement may have been amended or extended or both, and upon written request therefor by the Lessee, the Port Authority will return the deposit to the Lessee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Lessee of this Agreement or any part thereof. The Lessee agrees that it will not assign or encumber the deposit. The Lessee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may thereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest bearing bank accounts.

(b) The Lessee may at any time during the term of the letting under this Agreement offer to deliver to the Port Authority, as security for all obligations of the Lessee under this Agreement as described in paragraph (a) above (in addition to and without limiting the terms of Section 47 hereof and any guaranty delivered pursuant thereto) in substitution of the security deposit called for under paragraph (a) hereof, a clean, irrevocable letter of credit issued to and in favor of the Port Authority by a banking institution having its main office in the Port of New York District and acceptable to the Port Authority, payable in the Port of New York District in the amount of Seventy-five Thousand Dollars and No Cents ($75,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Said letter of credit shall expire no earlier than a date not later than one-hundred eighty (180) days after the expiration or termination of the Lease. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice to draw upon said letter of credit or any part thereof in whole or partial

satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of a letter of credit shall cure any default or breach of the Lease on the part of the Lessee. If requested by the Port Authority, said letter of credit shall be accompanied by a letter expressing the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. If at any time and from time to time during the term of the Lease, including any extension, a payment is made to the Port Authority under any letter of credit running in its favor as provided in this Section, the Lessee shall cause to be delivered to the Port Authority on demand from time to time and at any time made, an additional clean, irrevocable letter of credit satisfactory to and issued in favor of the Port Authority by a banking institution satisfactory to the Port Authority, the form and content of which letter of credit shall have been approved by the Port Authority and which, if required by the Port Authority, shall be accompanied by an opinion of counsel as aforesaid and in such an amount so that at all times during the term of the Lease the Port Authority shall have clean, irrevocable, letters of credit in the amount of Seventy-five Thousand Dollars and No Cents ($75,000.00). If at any time any bank shall fail to make payment to the Port Authority in accordance with any letter of credit issued by any such bank in favor of the Port Authority as herein provided, the Lessee shall cause to be delivered to the Port Authority, on demand, another clean, irrevocable letter of credit satisfactory to the Port Authority and issued by another banking institution in favor of the Port Authority and satisfactory to it, the form and content of which letter of credit shall have been approved by the Port Authority and which, if requested by the Port Authority, shall be accompanied by an opinion of counsel as aforesaid, in an amount equal to the amount of the original letter of credit as above described. Notwithstanding anything hereinabove provided, any failure of any banking institution issuing a letter of credit in favor of the Port Authority to make payments as provided in the said letter of credit shall be and be deemed to be a breach of the Lease by the Lessee. No action by the Port Authority pursuant to the terms of any letter of credit, or receipt by the Port Authority of funds from any bank issuing any such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of the Lease and all remedies available to the Port Authority as provided by the Lease consequent upon such default shall not be affected by the existence of a recourse to

any such letter of credit. Use, in accordance with this Section, of a letter or letters of credit delivered to the Port Authority hereunder shall be at the sole and complete discretion of the Port Authority.

If any banking institution which had been acceptable to the Port Authority and whose outstanding letter of credit hereunder the Port Authority is then holding shall at any time no longer be acceptable thereto in the Port Authority's sole discretion, the Lessee, within two (2) days after demand of the Port Authority, shall cause to be delivered to the Port Authority a clean irrevocable letter of credit from another banking institution satisfactory to the Port Authority, which letter of credit shall be in the same amount as that held by the Port Authority from the banking institution which is no longer acceptable as aforesaid and shall otherwise conform to the requirements applicable to any letter of credit to be furnished to the Port Authority under this Section; and upon the Port Authority's receipt of such a satisfactory letter of credit from such an acceptable banking institution the Port Authority shall return the letter of credit from that banking institution no longer acceptable to the Port Authority as aforesaid.

(c) It is expressly understood and agreed that the provisions of this Section 59 are in addition to and not in lieu of the provisions of Section 47 hereof and any guaranty delivered pursuant thereto and that neither the provisions of this Section 59 nor any security deposited or delivered hereunder (whether cash or bonds or letter of credit as above described) nor any action taken or not taken by the Port Authority with respect thereto shall in manner limit, affect or impair the provisions of Section 47 hereof or any guaranty submitted thereunder or release or relieve any such guarantor or affect in any manner the obligations or liability of such guarantor.

(d) For the purposes, of this Section, the Lessee hereby certifies that its Federal I.D. Number is (Ex. 1) . //

2. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Lessee 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 or alleged breach thereof.

3. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

4. This Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee 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 Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents, as of the date first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title) Asst Director

(Seal)

ATTEST:

Asst. Secretary

BUTLER AVIATION-NEWARK, INC.

By

(Title) Vice President

(Corporate Seal)

CONSENTED AND AGREED:

BUTLER AVIATION CORPORATION

(Successor by merger to Butler International, Inc.), as Guarantor pursuant to a Contract of Guaranty dated April 29, 1987, hereby consents and agrees to the terms of the Lease as supplemented and amended by this Supplemental Agreement.

By:

(Title): Vice President

(Corporate Seal)

APPROVED:

FORM	TERMS

CSL-61273; Ack. N.J.; Corp. & Corp.

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

On this 30th day of May, 19 91, before me, the subscriber, a notary public of New York, personally appeared Gerald P. Fitz Gerald the Ass't. Dir 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.

Jacqueline White
(notarial seal and stamp)

JACQUELINE WHITE
Notary Public, State of New York
No. 4737769
Qualified in Suffolk County
Commission Expires May 31, 1991

STATE OF NEW JERSEY)
) ss.
COUNTY OF ESSEX)

On this 17TH day of MAY, 19 91, before me, the subscriber, a NOTARY PUBLIC OF NEW JERSEY, personally appeared LARRY R. FLYNN the VICE President of BUTLER AVIATION-NEWARK, INC. 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 Directors.

Dominic D'Angelo
(notarial seal and stamp)

DOMINIC D'ANGELO
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES APRIL 20, 1992

STATE OF NEW JERSEY)
) ss.
COUNTY OF ESSEX)

On this 17TH day of MAY, 1991, before me, the subscriber, a NOTARY PUBLIC OF NEW JERSEY, personally appeared ROBERT S. MORAN, JR the VICE President of BUTLER AVIATION CORPORATION 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 Directors.

Dominic D'Angelo
(notarial seal and stamp)

DOMINIC D'ANGELO
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES APRIL 20, 1992

SFSN273-96.1

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

AVIATION DEPT.
FILE COPY

Port Authority Agreement No. **ANA-273**
Newark International Airport
Supplement No. 2

SECOND SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 1st day of October, 1996 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and SIGNATURE FLIGHT SUPPORT-NEW JERSEY, INC., successor by merger to Signature Flight Support-Newark, Inc.(formerly known as Butler Aviation-Newark, Inc.) (hereinafter referred to as "the Lessee"), a corporation organized and existing under the laws of the State of New Jersey, having its principal place of business at Hangar 15, Newark International Airport and whose representative is Richard Dodson, its President.

WITNESSETH, That:

WHEREAS, by an agreement of lease dated as of January 1, 1986 (which agreement of lease as the same has been supplemented and amended, is hereinafter referred to as "the Lease") the Port Authority leased and granted to Butler Aviation-Newark, Inc. certain premises, rights and privileges at Newark International Airport as more particularly described in the Lease; and

WHEREAS, said Butler Aviation-Newark, Inc. thereafter changed its corporate name to Signature Flight Support-Newark, Inc.; and

WHEREAS, pursuant to that certain Certificate of Merger and Plan of Merger submitted by the Lessee to the Port Authority and filed by the Lessee in the office of the Secretary of State of the State of New Jersey pursuant to Section 14A:10 of the New Jersey Business Corporation Act, the said Signature Flight Support-Newark, Inc. , subject to the consent of the Port Authority, merged with and into Signature Flight Support-Atlantic City, Inc., a corporation of the State of New Jersey, with the cessation of the separate existence of said Signature Flight Support-Newark, Inc. and with the said Signature Flight Support-Atlantic City, Inc. as the surviving corporation, and with the corporate name of said surviving corporation changed to Signature Fight Support- New Jersey, Inc., and with said surviving corporation succeeding to and assuming and being liable for all liabilities and obligations of said Signature Flight Support-Newark, Inc.("the Merger"); and

WHEREAS, the Merger is subject to the consent of the Port Authority and the Port Authority is willing to consent to said Merger on certain terms, provisions, covenants and conditions hereinafter set forth including without limitation the amendments to the Lease hereinafter set forth; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain respects,

NOW, THEREFORE, the Port Authority and the Lessee hereby agree, effective as of October 1, 1996, as follows:

1. The Port Authority hereby consents to the Merger subject to the terms and provisions herein contained. The Lessee hereby warrants, represents, acknowledges and confirms that as the surviving corporation in the Merger it has assumed all obligations and liabilities of said Signature Flight Support-Newark, Inc. under the Lease and hereby covenants and agrees to fully perform the same. Anything to the contrary herein notwithstanding, the granting of such consent by the Port Authority shall not be, or be deemed to operate as, a waiver of the requirement for consent (or consents) to each and every other merger or event that requires the consent of the Port Authority under the terms and provisions of the Lease, nor shall Signature Flight Support-Newark, Inc. be relieved or released of any of the terms, provision, covenants and conditions of the Lease to be kept, performed or observed by the lessee or tenant under the Lease. The Lessee hereby acknowledges and agrees that the Merger shall not in any way impair, reduce or limit the obligations and liabilities of the lessee under the lease or be deemed to be a release or discharge from any of the same.

2. Section 59 of the Lease, as previously amended and as set forth in Supplement No. 1 to the Lease, is hereby further amended to read as follows:

"Section 59. <u>Security Deposit</u>

(a) In addition to and without limiting the provisions of Section 47 hereof, upon the execution of Supplemental Agreement No. 2 of the Lease (of which this provision forms a part) by the Lessee and delivery thereof to the Port Authority, the Lessee shall deposit with the Port Authority and shall keep deposited throughout the term of this Agreement of Lease and during the term of the Other Agreements as hereinafter defined, the sum of One Hundred and Fifty Thousand Dollars and No Cents ($150,000.00) in cash, or bonds of the United States of America, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the provisions, terms, covenants and conditions of this Agreement and the Other Agreements on its part to be fulfilled, kept, performed or observed and as security for the payment of all other rentals, fees, charges and

obligations owed or which may become due and owing to the Port Authority arising from the Lessee's operations at the Airport, whether covered by a written agreement or otherwise. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Lessee may deposit such bond or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been reregistered in the name of the Port Authority (the expense of such re-registration to be borne by the Lessee) in a manner satisfactory to the Port Authority. The Lessee may request the Port Authority to accept a registered bond in the Lessee's name and if acceptable to the Port Authority the Lessee shall deposit such bond together with a bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Lessee, any expenses incurred by the Port Authority in re-registering a bond to the name of the Lessee shall be borne by the Lessee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice to use the said deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of the Agreement or of the Other Agreements on the part of the Lessee. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Lessee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Section 59. After the last to occur of (i) expiration or earlier termination of the Agreement or any extension thereof, (ii) the expiration, termination or revocation of the Other Agreements or (iii) the cessation of activity of the Lessee at the Airport and upon condition that the Lessee shall then be in no wise in default under any part of the Agreement, as this Agreement may have been amended or extended, or under any of the Other Agreements or other obligations to the Port Authority including but not limited to payment of flight fees, and upon written request therefor by the Lessee, the Port Authority will return the said deposit to the Lessee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Lessee of this Agreement or any part thereof or the Other Agreements, or any of them, or any other obligation of the Lessee to the Port Authority and less any other fees, charges and obligations owed to the Port Authority arising from the Lessee's operations at the Airport. The Lessee agrees that it will not assign or encumber the said deposit and any such assignment

or encumbrances shall be void as to the Port Authority. The Lessee may collect or receive annually any interest or income earned on bonds and interest paid on cash deposited in interest bearing bank accounts less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of administrative expense or custodial charge, or otherwise, provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest bearing bank accounts. Without limiting the foregoing provisions of this Section, with respect to any bonds deposited by the Lessee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Lessee, to sell the same in whole or in part, at any time and from time to time, with or without prior notice, at public or private sale, all as determined by the Port Authority together with the right to purchase the same at such sale free of any claims, equities or rights of redemption of the Lessee. The Lessee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the Port Authority's claims or demands against the Lessee. The proceeds of any such sale shall by applied by the Port Authority first to the costs and expenses of the sale (including but not limited to any advertising or commission expenses) and then to the amounts due the Port Authority from the Lessee. Any balance remaining shall be retained in cash toward bringing the security deposit to the sum specified above provided that this shall not relieve the Lessee from maintaining the deposit in the full amount stated above.

(b) In satisfaction of the security deposit described in paragraph (a) hereof, the Lessee may, at its option, cause to be delivered to the Port Authority as security (in addition to and without limiting the terms of Section 47 hereof and any guaranty delivered pursuant thereto) for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the provisions, terms, covenants and conditions of this Agreement and the Other Agreements on its part to be fulfilled, kept, performed or observed, and as security for the payment of all rentals, fees, charges and obligations owed or which may become due and owing to the Port Authority arising from the Lessee's operations at the Airport, whether covered by a written agreement or otherwise, a clean irrevocable letter of credit issued to and in favor of the Port Authority, by a banking institution having its main office within the Port of New York District and acceptable to the Port Authority, payable in the Port of New York District, in the amount of One Hundred and Fifty Thousand Dollars and No Cents ($150,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue during the term of this Agreement and during the term and effective period of permission of the Other Agreements and for a period of not less than six (6) months thereafter; such

continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory clean irrevocable letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter expressing the opinion of counsel for the banking institution that the issuance of said clean irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit the Lessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by security in accordance with paragraph (a) of this Section or another clean irrevocable letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof without statement of default and thereafter the Port Authority will hold the same as security under paragraph (a) of this Section. Failure to provide such a letter of credit at any time during the term of this Agreement and during the term and effective period of the permission of the Other Agreements, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Agreement and of the Other Agreements on the part of the Lessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Lessee made thereafter, the Port Authority will return the security deposit, if any, theretofore made under and in accordance with the provisions of paragraph (a) of this Section. The Lessee shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the permission under this Agreement and the Other Agreements and fulfillment of the obligations of the Lessee hereunder and thereunder. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice to draw upon said letter of credit or any part thereof, and use the security hereunder, in whole or partial satisfaction of any of its claims or demands against the Lessee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of a letter of credit shall cure any default or breach of the Lease on the part of the Lessee.If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Lessee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or receipt by the Port Authority of funds from any bank issuing any such letter of credit, shall be or be deemed to be a waiver of any default by the Lessee under the terms of this Agreement or any of the Other Agreements and all remedies of this Agreement and of the Other Agreements and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(c) (1) "Other Agreements" as used herein shall mean and include the following agreements as originally entered into and as the same may have been or may be supplemented, amended or extended: (i) that certain permit heretofore issued by the Port Authority to the Lessee (as the permittee thereunder) dated as of January 1, 1986 and bearing Port Authority identification No. ANA-278; (ii) that certain permit heretofore issued by the Port Authority to the Lessee (as the permittee thereunder) dated as of August 22, 1958 and bearing Port Authority identification number AN-344; (iii) that certain permit heretofore issued by the Port Authority to Consolidated Ticket Service, Inc., a wholly-owned subsidiary of the Lessee, dated as of February 14, 1962 and bearing Port Authority identification number AN-421; (iv) that certain permit heretofore issued by the Port Authority to the Lessee (as the permittee thereunder) dated as of December 16, 1974 and bearing Port Authority identification No. AN-743; (v) that certain permit heretofore issued by the Port Authority to the Lessee (as the permittee thereunder) dated as of April 1, 1984 and bearing Port Authority identification No. ANA-101; (vi) that certain lease heretofore issued by the Port Authority to the Lessee dated as of July 15, 1996 and bearing Port Authority identification No. ANA-921; and (vii) subject to paragraph (e) hereof, any other agreement which may be entered into between the Port Authority and the Lessee or any other permit which may be issued by the Port Authority to the Lessee; including, as to all of the foregoing, any extensions thereof.

(2) It is hereby agreed that the amount of $50,000 required to be deposited by the Lessee under Supplement No. 1 of the Lease, to the extent the Lessee has submitted and maintained said amount, shall be treated as part of and applied toward the total amount of the security required to be deposited by the Lessee under the foregoing provisions of this Section 59, subject to the terms and conditions of this Section 59.

(d) The provisions of this Section 59 (herein in this paragraph (d) called"the Security Provisions") shall survive the expiration or earlier termination of this Agreement, and, upon such event, without the necessity for executing any further instrument, the Security Provisions, in addition to their continued applicability to this Agreement and except as to that portion of the Security Provisions providing for an initial security deposit, shall be deemed a part of each Other Agreement then extant; and the money, bonds and all other documents and things, if and to the extent then held by the Port Authority as security under this Section, shall also be deemed and held as security under the Other Agreements subject to all the terms and provisions of the Security Provisions, and no part of such security shall then or thereafter be returned to the Lessee under this Agreement or any of the Other Agreements until the expiration or earlier termination, cancellation or revocation of the last of the Other Agreements to remain in effect at which ultimate time, upon condition that the Lessee shall then be

in no wise in default or breach, including anticipatory breach, thereunder and upon written request of such party, the Port Authority will return the said security, as and in such an amount as then appropriate hereunder, less the sum of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any such default or breach.

(e) It is expressly understood and agreed that the provisions of this Section 59 are in addition to and not in lieu of the provisions of Section 47 hereof and any guaranty delivered pursuant thereto and that neither the provisions of this Section 59 nor any security deposited or delivered hereunder (whether cash or bonds or letter of credit as above described) nor any action taken or not taken by the Port Authority with respect thereto shall in any manner limit, affect or impair the provisions of Section 47 hereof or any guaranty submitted thereunder or release or relieve any such guarantor or affect in any manner the obligations or liability of any such guarantor.

(f) Anything to the contrary herein notwithstanding, nothing herein in this Section 59 shall or shall be construed as preventing or precluding the Port Authority from requiring the Lessee to submit new or additional or increased security under and pursuant to the terms and provisions of any agreement which may be entered into between the Port Authority and the Lessee.

(g) For purposes of the foregoing, the Lessee hereby certifies that its I.R.S. Employee Identification No. is (Ex. 1)

3. Section 47 of the Lease, is hereby amended to read as follows;

"Section 47. Contract of Guaranty

It is recognized that the Lessee is a wholly-owned subsidiary of Butler Aviation International, Inc., a corporation of the State of Delaware and that said Butler Aviation International, Inc. is a wholly-owned subsidiary of Signature Flight Support Corporation, a corporation of the State of Delaware. The Lessee shall procure and at all times during the term of this Agreement maintain in full force and effect an Agreement of Guaranty executed by said Signature Flight Support Corporation wherein and whereby said Signature Flight Support Corporation absolutely and unconditionally guarantees that the Lessee will duly and punctually pay all rentals, fees and other monetary obligations which it has or shall have under the Lease and the Other Agreements as defined in Section 59 hereof 9 (including without limitation by the Lessee's wholly-owned subsidiary, Consolidated Ticket

Service, Inc. the permittee under permit AN-421 which constitutes one of the Other Agreements), and that the Lessee will faithfully and fully perform, fulfill and observe everything on its part to be performed, fulfilled and observed under this Agreement of Lease and any amendments or supplements hereto or both as the parties in their discretion may execute and under the Other Agreements as defined in Section 59 hereof (including without limitation by the Lessee's wholly-owned subsidiary, Consolidated Ticket Service, Inc. the permittee under permit AN-421 which constitutes one of the Other Agreements). Such Guaranty of Signature Flight Support Corporation shall be in the form attached to Supplement No. 2 to the Lease. It is hereby expressly understood and agreed, in addition to and without limiting any other term or provision or Section of this Lease or any other right or remedy of the Port Authority, that in the event there is a change, of any type whatsoever, in the said relationship of the Lessee and the said two companies as a result of which the Lessee is not owned directly or indirectly by the said two companies the Port Authority may require the Lessee to substitute other and/ or additional forms of security and the Lessee shall promptly comply with such requirement or requirements."

4. (a) By executing this Supplemental Agreement, the Lessee hereby expressly acknowledges, covenants, represents and warrants to the Port Authority that the documents heretofore submitted by or on its behalf to the Port Authority and attached hereto and entitled "Certificate of Merger of Signature Flight Support-Newark, Inc., into Signature Flight Support-Atlantic City, Inc." and "Exhibit A Plan Of Merger" (collectively the "Merger Documents") are true, correct, complete copies of the actual, final documents effectuating the Merger, pursuant to Section 14A:10 of the New Jersey Business Corporation Act, as said Merger Documents have been filed in, and accepted for filing by, the office of the Secretary of State of the State of New Jersey on March 28, 1996. By executing this Agreement, the Lessee also hereby expressly acknowledges, covenants, represents and warrants to the Port Authority that the statement of the ownership of the Lessee as set forth in Section 47 of the Lease, as herein amended, is true, correct and complete.

(b) Except as otherwise expressly stated herein, nothing contained herein nor any action taken or not taken by the Port Authority nor any reference to the Merger Documents shall constitute any agreement or consent of the Port Authority to any of the transactions contemplated thereby or to waive any right or remedy of the Port Authority under the Lease or the Other Agreements or otherwise, or to modify, alter, or impair the Lease or any of the Other Agreements or any of the terms, provisions, covenants and conditions thereof.

5. As hereby amended, all the terms, provisions, covenants and conditions of the Lease shall be and continue in full force and effect.

6. Neither the Commissioners of the Port Authority nor any of them nor any officer, agent or employee thereof, shall be charged personally by the Lessee with any liability, or held liable to

the Lessee under any term or provision of this Supplemental Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach thereof.

7. This Supplemental Agreement together with the Lease to which it is supplementary constitute the entire agreement between the Port Authority and the Lessee on the subject matter, and may not be changed, modified, discharged or extended except by an instrument in writing duly executed on behalf of both the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or in this Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first written above.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

(Title): General Manager Business & Properties

(Seal)

ATTEST:

Secretary - Paul J. Mokris

SIGNATURE FLIGHT SUPPORT-NEW JERSEY, INC.
(successor by merger to Signature Flight Support-Newark, Inc.)

By: _____
Bruce S. Van Allen

(Title): Vice President

(Corporate Seal)

Signature Flight Support - New Jersey, Inc. Corporate SEAL 1980 New Jersey

APPROVED:
FORM | TERMS

FILED

MAR 28 1996

LONNA R. HOOKS
Secretary of State

CERTIFICATE OF MERGER
OF
SIGNATURE FLIGHT SUPPORT - NEWARK, INC.
INTO
SIGNATURE FLIGHT SUPPORT - ATLANTIC CITY, INC.

To: The Secretary of State
of the State of New Jersey

Pursuant to the provisions of Section 14A:10-1 and Section 14A:10-4.1 of the New Jersey Business Corporation Act (the "Act"), the undersigned corporations hereby execute the following Certificate of Merger.

ARTICLE ONE

SIGNATURE FLIGHT SUPPORT - NEWARK, INC., a corporation organized and existing under the laws of the State of New Jersey ("SFS-Newark"), shall be merged into SIGNATURE FLIGHT SUPPORT - ATLANTIC CITY, INC., a corporation organized and existing under the laws of the State of New Jersey ("SFS-AC" or the "Surviving Corporation") (with such transaction referred to herein as the "Merger").

The total authorized capital stock of the Surviving Corporation immediately prior to the Merger is, and subsequent to the Merger shall be, Two Thousand Five Hundred (2,500) shares of Common Stock, no par value, all of which is issued and outstanding and owned by BUTLER AVIATION INTERNATIONAL, INC., a Delaware corporation, its parent corporation ("Butler").

The total authorized capital stock of SFS-Newark immediately prior to the Merger is Two Thousand Five Hundred (2,500) shares of Common Stock, no par value, all of which is issued and outstanding and owned by Butler, its parent corporation.

ARTICLE TWO

The Plan of Merger attached hereto as Exhibit A (the "Plan of Merger"), which will effect the merger of SFS-Newark into SFS-AC, was approved by each of the undersigned corporations in the manner prescribed by the Act.

ARTICLE THREE

The Plan of Merger was adopted by a unanimous written consent of each entities' board of directors on March 20, 1996 pursuant to Section 14A:6-7.1 of the Act, and by a written consent of each entities' sole shareholder on March 20, 1996 pursuant to Section 14A:5-6 of the Act. Since Butler has approved the Merger, and since Butler is the sole shareholder of both SFS-Newark and SFS-AC, there are no dissenting shareholders of such corporations.

ARTICLE FOUR

Article First of the Certificate of Incorporation of the Surviving Corporation is amended to read in its entirety as follows:

"The name of the Corporation is:

SIGNATURE FLIGHT SUPPORT - NEW JERSEY, INC."

As amended as aforesaid, the Certificate of Incorporation of the Surviving Corporation shall be and remain the Certificate of Incorporation of the Surviving Corporation after the Merger, until such time as the Certificate of Incorporation shall be amended as provided by law.

ARTICLE FIVE

This Certificate of Merger shall be effective as of the close of business on March 31, 1996. At such time, SFS-Newark shall merge with and into the Surviving Corporation and SFS-Newark's corporate existence shall cease.

IN WITNESS WHEREOF each of the undersigned corporations has caused this Certificate of Merger to be executed in its name by its President as of the 20th day of March, 1996.

SIGNATURE FLIGHT SUPPORT - NEWARK, INC., a New Jersey corporation

By: Richard Dodson
Richard Dodson, President

SIGNATURE FLIGHT SUPPORT - ATLANTIC CITY, INC., a New Jersey corporation

By: Richard Dodson
Richard Dodson, President

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EXHIBIT A

PLAN OF MERGER

THIS PLAN OF MERGER (the "Plan"), dated as of the 20th day of March, 1996, is by and between **SIGNATURE FLIGHT SUPPORT - NEWARK, INC.**, a New Jersey corporation ("SFS-Newark"), and **SIGNATURE FLIGHT SUPPORT - ATLANTIC CITY, INC.**, a New Jersey corporation ("SFS-AC"), and shall merge SFS-Newark with and into SFS-AC effective as of the close of business on March 31, 1996 pursuant to the terms and conditions set forth herein.

1. SFS-Newark has authorized capital stock consisting of Two Thousand Five Hundred (2,500) shares of common stock, no par value (the "SFS-Newark Stock"), all of which is issued and outstanding and owned by **BUTLER AVIATION INTERNATIONAL, INC.**, a Delaware corporation ("Butler"), its parent corporation.

2. SFS-AC has authorized capital stock consisting of Two Thousand Five Hundred (2,500) shares of common stock, no par value (the "SFS-AC Stock"), all of which is issued and outstanding and owned by Butler, its parent corporation.

3. For valid business purposes, the Boards of Directors of SFS-Newark and SFS-AC desire that SFS-Newark merge with and into SFS-AC pursuant to the terms of the New Jersey Business Corporation Act (the "Act"), and the Board of Directors of each of such corporations has approved this Plan.

ARTICLE ONE

1.1 The Merger; Effect of Merger. At the Effective Time (as defined in Section 1.2 below), SFS-Newark shall be merged with and into SFS-AC (the "Merger"), the separate existence of SFS-Newark shall cease, and SFS-AC, as the surviving corporation (the "Surviving Corporation"), shall continue its corporate existence under the laws of the State of New Jersey.

1.2 Effective Time. The Effective Time of the Merger shall be as of the close of business on March 31, 1996.

ARTICLE TWO

2.1 SFS-AC Certificate of Incorporation. The Certificate of Incorporation of SFS-AC in effect at the Effective Time shall be and remain the Certificate of Incorporation of the Surviving Corporation, until it shall be amended as provided by law, except that said Certificate of Incorporation shall be amended by changing

the First Article thereof so that, as amended, said Article shall be read in full as follows:

"The name of the Corporation is:

SIGNATURE FLIGHT SUPPORT - NEW JERSEY, INC."

2.2 SFS-AC Bylaws. The Bylaws of SFS-AC in effect at the Effective Time shall be and remain the Bylaws of the Surviving Corporation, until the same shall be altered, amended or repealed as provided therein.

2.3. SFS-AC Officers and Directors. The officers and directors of SFS-AC at the Effective Time shall be and remain the officers and directors of the Surviving Corporation until their successors are duly elected and qualified.

ARTICLE THREE

3.1 SFS-AC Common Stock. On or as of the Effective Time, each share of SFS-AC Stock issued and outstanding immediately prior thereto shall, by virtue of the Merger and without any action on the part of the holder thereof, continue to represent one issued and outstanding share of common stock, no par value, of the Surviving Corporation.

3.2 SFS-Newark Common Stock. On or as of the Effective Time, each share of SFS-Newark Stock issued and outstanding immediately prior thereto shall be surrendered and canceled. No surrender of certificates representing shares of SFS-Newark Stock pursuant to this Section is required; and from and after the Effective Time all such certificates shall be deemed for all purposes surrendered and canceled.

3.3 No Conversion. The canceled shares of SFS-Newark Stock will not be converted into shares of SFS-AC Stock upon consummation of the Merger. Such a conversion is not necessary since all of the issued and outstanding capital stock of both SFS-Newark and SFS-AC is owned by Butler.

3.4 Rights and Obligations of SFS-AC. In accordance with the applicable provisions of the Act, effective at the Effective Time the Surviving Corporation shall possess, insofar as permitted by the Act, all rights, privileges and powers of SFS-Newark; and all property and assets of SFS-Newark shall vest in the Surviving Corporation without any further act or deed; and the Surviving Corporation shall assume and be liable for all liabilities and obligations of SFS-Newark.

ARTICLE FOUR

4.1 Amendment. The parties hereto, by mutual consent of their respective Boards of Directors, may amend this Plan prior to the filing of the Certificate of Merger and this Plan with the New Jersey Secretary of State; provided, however, that an amendment made subsequent to the adoption of this Plan by the shareholder of SFS-Newark and SFS-AC shall be subject to the limitations set forth in the Act.

4.2 Termination. This Plan may be terminated and the Merger and other transactions herein provided for may be abandoned at any time prior to the filing of the Certificate of Merger with the New Jersey Secretary of State, whether before or after adoption of this Plan, if the Board of Directors of either SFS-Newark or SFS-AC determines that the consummation of the transactions provided for herein would not, for any reason, be in its best interests.

\jmcmulle\signatur\newjersy\merger.pln

I, The Secretary of State of the State of New Jersey, DO HEREBY CERTIFY that the foregoing is a true copy of CERTIFICATE OF MERGER and the endorsements thereon, as the same is taken from and compared with the original filed in my office on the 28th day of Merger A.D. 1996 and now remaining on file and of record therein.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this day 29th of Merger A.D. 1996

SECRETARY OF STATE

Donna R. Hedg

CSL-61273;- Ack. N.J.; Corp. & Corp.

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

On the 15th day of April, 1996, before me, the subscriber, a notary public of New York, personally appeared Lysa C. Medeiros the G. M., Business & Properties 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 the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

(notarial seal and stamp)

ROSEANN HOGAN
Notary Public, State of New York
No. 4795751
Qualified in Nassau County
Term Expires June 30, 1997

STATE OF FLORIDA)
) ss.
COUNTY OF ORANGE)

On the 15th day of November, 1996, before me, the subscriber, a notary public of Florida, personally appeared Bruce S. Van Allen the Vice President of SIGNATURE FLIGHT SUPPORT- NEW JERSEY, INC., 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 the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Margaret A. Mathwich
MY COMMISSION # CC535083 EXPIRES
February 25, 2000
BONDED THRU TROY FAIN INSURANCE, INC.

(notarial seal and stamp)

STATE OF)
) ss.
COUNTY OF)

On the day of , 1996, before me, the subscriber, a , personally appeared the President of , 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 the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

(notarial seal and stamp)

GUARANTY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as the "Port Authority") is about to enter into the foregoing attached Supplement No.2 to the Agreement of Lease bearing lease number ANA-273 (said Lease, as the same has been and may be supplemented and amended, including without limitation by said Supplement No. 2, being hereinafter referred to as "the Lease") with SIGNATURE FLIGHT SUPPORT-NEW JERSEY, INC., successor by merger to Signature Flight Support-Newark, Inc. (formerly known as Butler Aviation-Newark, Inc.) (hereinafter and in the Lease referred to as "the Lessee") which Lease covers the letting of certain premises at Newark International Airport and provides for the payment of rentals and fees by the Lessee, all as more particularly described in the Lease; and

WHEREAS, the Lease imposes certain terms and conditions upon the Lessee including the obligation of the Lessee to procure and maintain with the Port Authority the Guaranty of Signature Flight Support Corporation guaranteeing to the Port Authority the performance by the Lessee of all of the terms and conditions imposed upon the Lessee by the Lease, and also guaranteeing to the Port Authority the performance by the Lessee of all of the terms and conditions imposed upon the Lessee (and the Lessee's wholly-owned subsidiary as described below) pursuant to the "Other Agreements" as defined in Section 59 (c) of the Lease (hereinafter referred to as the "Other Agreements"); and

WHEREAS, the Port Authority and the Lessee are concurrently with said Supplement No. 2 to the Lease also entering into supplements to the Other Agreements; and

WHEREAS, SIGNATURE FLIGHT SUPPORT CORPORATION (hereinafter referred to as "the Guarantor"), a corporation of the State of Delaware having its principal place of business at 201 S. Orange Avenue, Suite 1100, Orlando, Florida 32801, is the absolute and unconditional owner of all of the issued and outstanding voting shares of the capital stock of Butler Aviation International, Inc., a corporation of the State of Delaware having its principal place of business at *~~110 Summit Avenue, P.O. Box 480, Montvale, New Jersey 07615~~; and

*201 S. Orange Avenue, Suite 1100, Orlando, Florida 32801

WHEREAS, the said Butler Aviation International, Inc. is the absolute and unconditional owner of all of the issued and outstanding voting shares of the capital stock of the Lessee which was organized by and through the efforts of said Guarantor; and

WHEREAS, the Lessee is the absolute and unconditional owner of all of the issued and outstanding voting shares of the capital stock of Consolidated Ticket Service, Inc., a corporation of the State of New Jersey (the permittee under permit AN-421 which constitutes one of the Other Agreements, and hereinafter referred to as the "Lessee's Subsidiary"); and

WHEREAS, this Guaranty is made in connection with and incidental 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, in order to induce the Port Authority to enter into and execute the aforesaid Supplement No. 2 to the Lease, the Guarantor has offered to absolutely and unconditionally guarantee the payment by the Lessee of the rentals and other monetary obligations which the Lessee has under the Lease and which the Lessee and the Lessee's Subsidiary have (as lessee or permittee, as the case may be) under the Other Agreements, and the performance, fulfillment and observance by the Lessee of all of the other terms, provisions, covenants and conditions of the Lease on the part of the Lessee to be performed, fulfilled and observed, and the performance, fulfillment and observance by the Lessee and the Lessee's Subsidiary (as lessee or permittee, as the case may be) under the Other Agreements of all of the other terms, provisions, covenants and conditions of the Other Agreements on the part of the lessee or permittee thereunder, as the case may be, to be performed, fulfilled and observed; and

WHEREAS, the execution of the aforesaid Supplement No. 2 to the Lease by the Port Authority will inure to the benefit of and enhance, promote and develop the business of the Guarantor;

NOW, THEREFORE, for and in consideration of and as an inducement to the Port Authority to enter into and execute the aforesaid Supplement No. 2 to the Lease with the Lessee, the Guarantor does hereby covenant and agree with the Port Authority as follows:

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

2. The Guarantor further hereby absolutely and unconditionally guarantees, promises and agrees that the Lessee will duly and punctually pay all rentals, fees and other monetary obligations which it has or shall have (as lessee or permittee, as the case may be) under its Other Agreements, and that the Lessee, as the lessee or permittee, as the case may be under its Other Agreements, will faithfully and fully perform, fulfill and observe all the other terms, provisions, covenants and conditions of its Other Agreements on the part of the Lessee to be performed, fulfilled and observed under its Other Agreements.

3. The Guarantor further hereby absolutely and unconditionally guarantees, promises and agrees that the Lessee's Subsidiary will duly and punctually pay all fees and other monetary obligations which it has or shall have under its aforesaid permit which constitutes one of the Other Agreements, and that the Lessee's Subsidiary will faithfully and fully perform, fulfill and observe all the other terms, provisions, covenants and conditions of said permit on its part to be performed, fulfilled and observed.

4. The Guarantor hereby waives and dispenses with all notice of non-payment, non-observance, non-performance or nonfulfillment or proof of notice or demand to charge the Guarantor therefor and agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall in no wise be terminated, affected or impaired by reason of any failure of the Port Authority to insist upon strict performance by the Lessee under the Lease or by the Lessee or the Lessee's Subsidiary under the Other Agreements, as the case may be, or by the assertion by the Port Authority against the Lessee or against the Lessee's Subsidiary of any of the rights or remedies reserved to the Port Authority under the provisions of the Lease, or under the Other Agreements, as the case may be, or by the withdrawal, discontinuance or settlement of any judicial or other proceedings brought by the Port Authority against the Lessee or the Lessee's Subsidiary.

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

(a) The release or discharge of the Lessee or of the Lessee's Subsidiary in any creditors', receivership, bankruptcy or other similar proceedings.

(b) The impairment, limitation or modification of the liability of the Lessee or its estate in bankruptcy, or of the liability of the Lessee's Subsidiary or its estate in bankruptcy, or of any remedy for the enforcement of the Lessee's said liability or of the Lessee's Subsidiary's said liability under the Lease or the Other Agreements, as the case may be, resulting from the operation of any present or future provision of the Bankruptcy Code or any other statute or from the decision of any court having jurisdiction over the Lessee or its estate or of the Lessee's Subsidiary or its estate.

(c) The rejection or disaffirmance of the Lease, or any of the Other Agreements, in any creditors', receivership, bankruptcy or other similar proceedings.

(d) Any disability or any defense of the Lessee or of the Lessee's Subsidiary.

6. This Contract of Guaranty shall remain and continue in full force and effect as to any and every renewal, modification or extension of the Lease, or any of the Other Agreements, whether in accordance with the terms of the Lease, or any of the Other Agreements, or by a separate or additional documents, and notwithstanding any such renewal, modification or extension, whether or not the Guarantor has specifically consented to such renewal, modification or extension. The liability of the Guarantor hereunder shall in no way be affected by the failure of the Port Authority to obtain the Guarantor's consent to any such renewal, modification or extension, notwithstanding that the Port Authority may have previously obtained such consent with respect to a prior renewal, modification or extension.

7. Acceptance of this Contract of Guaranty and reliance thereon by the Port Authority shall be evidenced by the execution of the aforesaid Supplement No. 2 to the Lease 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 Lease or a copy of the aforesaid Supplement No. 2 to the Lease or a copy of any of the Other Agreements or

a copy of any of the aforesaid supplements to the Other Agreements 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.

This Guaranty shall inure to the benefit of the Port Authority, its successors and assigns, and shall be binding upon the Guarantor, its successors and assigns.

IN WITNESS WHEREOF, the Guarantor has executed and delivered to the Port Authority this Guaranty the 15 day of November, 1996.

ATTEST:

Secretary

SIGNATURE FLIGHT SUPPORT CORPORATION

By

Bruce S. Van Allen

(Title) Vice President

(Corporate Seal)

SFSN273.96.1

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

On the 15th day of November 1996, before me, the subscriber, a notary public of Florida, personally appeared Bruce S. Van Allen the Sr. Vice President of **SIGNATURE FLIGHT SUPPORT CORPORATION** 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 Directors.

Margaret A. Mathwich
MY COMMISSION # CC535083 EXPIRES
February 25, 2000
BONDED THRU TROY FAIN INSURANCE, INC.

Margaretta Mathwich
(notarial seal and stamp)

SIGNATURE FLIGHT SUPPORT CORPORATION

Certification of Secretary

I, Paul J. Mokris , Secretary of SIGNATURE FLIGHT SUPPORT CORPORATION, a corporation of the State of Delaware, do hereby certify as follows:

1. SIGNATURE FLIGHT SUPPORT CORPORATION is the unconditional and absolute owner of all of the issued and outstanding voting shares of the capital stock of Butler Aviation International, Inc., a corporation of the State of Delaware.

2. Butler Aviation International, Inc. is the unconditional and absolute owner of all the issued and outstanding voting shares of the capital stock of Signature Flight Support-New Jersey, Inc., a corporation of the State of New Jersey (successor by merger to Signature Flight Support-Newark, Inc.).

3. Signature Flight Support-New Jersey, Inc. (successor by merger to Signature Flight Support-Newark, Inc.) is the absolute and unconditional owner of all of the issued and outstanding voting shares of the capital stock of Consolidated Ticket Service, Inc. a corporation of the State of New Jersey; and

4. That the following is a full, true and correct copy of a Resolution adopted by a unanimous vote of all of the Directors of SIGNATURE FLIGHT SUPPORT CORPORATION present at a meeting of the Board of Directors held on the day 15 of November 1996, duly called and held in accordance with law and the charter and by-laws of SIGNATURE FLIGHT SUPPORT CORPORATION at which all members of the Board of Directors were present, and that the said Resolution has not been altered or repealed, and is now in full force and effect:

> "RESOLVED, that in order to induce the Port Authority of New York and New Jersey to enter into and execute the foregoing attached Supplement No. 2 to Lease ANA-273 with Signature Flight Support-New Jersey, Inc. (successor by merger to Signature Flight Support-Newark, Inc.), which Lease covers the letting of certain premises at Newark International Airport and provides for the payment of rentals and fees by Signature Flight Support-New Jersey, Inc., all as more particularly set forth in the Lease, this Corporation (Signature Flight Support Corporation) shall at all times during the effective term of the said Lease, as the same has been or may be extended, supplemented, or amended (including without limitation by said Supplement No. 2), guarantee the obligations of Signature Flight Support-New Jersey, Inc. and the full, punctual and faithful performance of all of the terms, provisions, covenants and conditions to be performed, fulfilled and observed by Signature Flight Support-New Jersey, Inc. under the said Lease as the same has been or may be extended, supplemented, or

amended; and be it further

RESOLVED, that in order to induce the Port Authority of New York and New Jersey to enter into and execute the aforesaid Supplement No. 2 to Lease ANA-273 with Signature Flight Support-New Jersey, Inc. (successor by merger to Signature Flight Support-Newark, Inc.), this Corporation (Signature Flight Support Corporation) shall also at all times during the effective term or period of permission, as the case may be, of the "Other Agreements" as defined in said Lease, as the said Other Agreements have been or may be extended, supplemented, or amended, guarantee the obligations of Signature Flight Support-New Jersey, Inc. and the full, punctual and faithful performance of all of the terms, provisions, covenants and conditions to be performed, fulfilled and observed by Signature Flight Support-New Jersey, Inc. under the said Other Agreements, as the same have been or may be extended, supplemented, or amended, and guarantee the obligations of Consolidated Ticket Service, Inc. and the full, punctual and faithful performance of all of the terms, provisions, covenants and conditions to be performed, fulfilled and observed by Consolidated Ticket Service, Inc. under the said Other Agreements, as the same have been or may be extended, supplemented, or amended; and be it further

"RESOLVED, that in the judgment of the Board of Directors, this action will effectuate the purposes and objectives of this Corporation, and will inure to the benefit of and promote, enhance and develop the business and assets of this Corporation and will generally promote its best interests; and be it further

"RESOLVED, that the President or Vice-President of this Corporation, be and each of them is hereby authorized and directed to make, execute and deliver to the Port Authority on behalf of and in the name of this Corporation, a written Guaranty, guaranteeing all of the aforesaid obligations of Signature Flight Support-New Jersey, Inc. and of Consolidated Ticket Service, Inc.; and be it further

"RESOLVED, that the officers of this Corporation and each of them are hereby authorized and directed to take such steps, execute such documents and perform such other acts and things on behalf of this Corporation as may be necessary or convenient for the purpose of effecting such Guaranty."

4. That the purpose of this certificate is to induce The Port Authority of New York and New Jersey to enter into Supplement No.2 to the Agreement of Lease No. ANA-273 with Signature

Flight Support-New Jersey, Inc. (successor by merger to Signature Flight Support-Newark, Inc.), covering premises at Newark International Airport, State of New Jersey and to induce The Port Authority of New York and New Jersey to grant its consent, as part of and as set forth in the said Supplement No. 2, to that certain merger between Signature Flight Support-Newark, Inc. (formerly named Butler Aviation-Newark, Inc.) and Signature Flight Support-Atlantic City, Inc., pursuant to Section 14A:10 of the New Jersey Business Corporation Act, as more fully described in the aforesaid Supplement No. 2, and with the intent that The Port Authority of New York and New Jersey, its Commissioners, officers, agents and representatives, shall rely on the truth of the matters contained herein.

IN WITNESS WHEREOF, I have signed my name and affixed the corporate seal hereto, this15 day of November1996.

Secretary of
SIGNATURE FLIGHT SUPPORT CORPORATION
(Corporate Seal)

273s3.97

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

AVIATION DEPT.
FILE COPY

Port Authority Agreement No. **ANA-273**
Newark International Airport
Supplement No. 3

THIRD SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 1st day of December, 1996 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as "the Port Authority") and SIGNATURE FLIGHT SUPPORT-NEW JERSEY, INC., successor by merger to Signature Flight Support-Newark, Inc.(formerly known as Butler Aviation-Newark, Inc.) (hereinafter referred to as "the Lessee"), a corporation organized and existing under the laws of the State of New Jersey, having its principal place of business at Hangar 15, Newark International Airport and whose representative is Richard Dodson, its President.

WITNESSETH, That:

WHEREAS, by an agreement of lease dated as of January 1, 1986 (which agreement of lease as the same has been supplemented and amended, is hereinafter referred to as "the Lease") the Port Authority leased and granted to Butler Aviation-Newark, Inc. certain premises, rights and privileges at Newark International Airport as more particularly described in the Lease; and

WHEREAS, said Butler Aviation-Newark, Inc. thereafter changed its corporate name to Signature Flight Support-Newark, Inc.; and

WHEREAS, the Lessee is the successor by merger to Signature Flight Support-Newark, Inc.; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain respects as hereinafter provided;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of December 1, 1996, as follows:

1. Section 60 of the Lease entitled "Entire Agreement" shall be deemed

redesignated as "Section 61" of the Lease, deemed to state that there 61 sections in the Lease, and the following new Section 60 shall be deemed inserted after Section 59 of the Lease to read as follows:

"Section 60. Phase 1A Roadway Work

(a) The parties hereby acknowledge that the Port Authority is performing a certain landside access construction project at the Airport consisting generally of the following portions: a) the construction of certain roadway improvements at the Airport's principal roadway entrance; b) the construction of an inbound ramp connecting the I-78 Connector to Brewster Road and a corresponding ramp to facilitate outbound movements of traffic; c) the construction of roads to connect Monorail Stations 'D2' and 'E' to adjacent Airport roads, and drop-off/pick-up facilities at said Stations; d) an expansion of the Central Terminal Area Complex recirculation road; and e) other roadway improvements related thereto; all of the foregoing portions being hereinafter collectively called the 'Phase 1A Roadway Work'.

(b) (1) For purposes of this Lease, the term 'Phase 1A Costs' shall mean the total costs in connection with all portions of the Phase 1A Roadway Work, which shall be the total of the following costs as such costs are incurred in the performance of each portion of the Phase 1A Roadway Work.

A. Construction Costs:

(1) payments to independent contractors, vendors and suppliers;

(2) premiums or charges for Performance Bonds;

(3) insurance premiums or charges;

(4) direct payroll and expenses of Port Authority employees and agents engaged in performance or supervision of the work, charged in accordance with Port Authority accounting practice.

B. Engineering Services:

(1) payments to independent consultants and engineering firms;

(2) direct payroll and expenses of Port Authority staff arising in connection with the work, charged in accordance with Port Authority accounting practice.

C. Other direct costs charged in accordance with Port Authority accounting

practice.

D. Liquidated overhead in lieu of the Port Authority's administration and overhead costs in the amount of ten percent (10%) of the sum of all other elements of cost included in the Port Authority's net total cost (including Financial Expenses in 'E' below).

E. Financial Expenses on the foregoing computed in accordance with Port Authority accounting practice.

(2) 'Phase 1A Charge Commencement Date' shall mean the date on which the Port Authority shall have certified that the construction of any portion of the Phase 1A Roadways has been substantially completed, provided, however, if any such date shall occur on other than the first day of a calendar month, the Phase 1A Charge Commencement Date shall mean the first (1st) day of the first (1st) full calendar month immediately following the month during which the said date occurs.

(3) (i) 'The Phase 1A Factor' shall mean the sum of (1) the respective averages of the annual capital investment recovery rates of the '25-Bond Revenue Index' appearing in the respective last issues of 'The Bond Buyer' published during each of the respective calendar years commencing on January 1, 1992 for which each such average will be applied, plus (2) one hundred fifty (150) basis points.

(ii) In the event that 'The Bond Buyer' or its '25-Bond Revenue Index' shall be discontinued prior to the date on which the Port Authority determines the Phase 1A Factor, then the Port Authority shall by notice to the Lessee propose a comparable substitute for such Index for all subsequent periods as aforesaid. The determination of the Port Authority as to such substitute shall be final.

(4) The 'Phase 1A Charge Period' or 'Phase 1A Charge Periods' shall mean the period or periods, as the case may be, commencing on the applicable Phase 1A Charge Commencement Date and ending on the day immediately preceding the twenty-fifth (25th) anniversary of said Phase 1A Charge Commencement Date.

(5) For purposes of the calculations under this Section 60, 'PFC Funds' shall mean revenues derived from fees (hereinafter called 'Passenger Facility Charges') charged air passengers at the Airport, a portion of which revenues, as available, shall be applied to the Phase 1A Costs in accordance with Port Authority applications therefor as approved by the Federal Aviation Administration, the amount of which PFC Funds to be applied to the Phase 1A Costs being limited in amount to a total of Fifty Million Dollars and No Cents ($50,000,000.00).

(c) (1) For any period from the applicable Phase 1A Commencement Date through the 31st day of December of the year in which the said date occurs (all such periods, for purposes of this Section 60, being hereinafter referred to individually as a 'Phase 1A Period'), the Port Authority shall establish and the Lessee shall pay a Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority up to and including the day immediately preceding the said Phase 1A Commencement Date, each such portion being hereinafter referred to as the 'Phase 1A Investment.'

(ii) The Port Authority shall deduct from the first and each subsequent Phase 1A Investment determined in subsubparagraph (i) above the amount of PFC Funds available to be applied to the Phase 1A Costs until the amount of available PFC Funds is exhausted, the remainder and each such portion thereafter being hereinafter referred to as the 'Net Phase 1A Investment.'

(iii) The Port Authority shall estimate an amount (each such amount being hereinafter referred to as the 'Annual Phase 1A Capital Cost') equal to even monthly payments derived by multiplying the applicable Net Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

$$\frac{1}{\dfrac{1}{i} - \dfrac{1}{i\,(1+i)^t}} = \text{Monthly Multiplier}$$

Where i equals the Phase 1A Factor (as estimated by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iv) The Port Authority shall determine the Total Developed Land Square Feet on the Airport, as defined in Schedule A of the Lease, for the calendar year immediately preceding the applicable Phase 1A Commencement Date and shall divide the applicable Annual Phase 1A Capital Cost by said Total, the quotient thereof being hereinafter referred to as the 'Phase 1A Charge Per Acre.'

(v) The Port Authority shall multiply the total developed land area at the Airport by 0.683%, or the percentage then in effect, which percentage constitutes the portion of said total occupied by the Lessee, the product thereof being hereinafter referred to as the 'Lessee's Terminal Acreage.'

(vi) The Port Authority shall multiply the applicable Lessee's Terminal Acreage by the applicable Phase1A Charge Per Acre, the product thereof being herein referred to as the 'Phase 1A Charge.'

(2) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year during which any respective Phase 1A Period occurs, the Port Authority shall also advise the Lessee of the applicable Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the applicable Phase 1A Period and for each and every month in the calendar year during which the Phase 1A Charge is calculated. The Lessee shall pay the accumulated total thereof for each month of the applicable Phase 1A Period and for the months that have elapsed since the end of the applicable Phase 1A Period at the time it pays the tentative Airport Services Factor for the calendar month following the month during which the applicable Phase 1A Charge is calculated. The Lessee shall continue to make payments based on the said Phase 1A Charge until the same is further adjusted based upon actual costs incurred in the performance of the Phase 1A Roadway Work, as provided in subparagraph (3) hereof.

(3) After the close of calendar year 1996 and after the close of each calendar year thereafter up to and including the calendar year during which the Phase 1A Roadway Work is completed, the Port Authority will adjust, if necessary, the applicable Phase 1A Charge, as follows:

(i) The Port Authority shall determine the portion of the total Phase 1A Costs paid or incurred by the Port Authority during the calendar year for which the adjustment is being made for any portion of the Phase 1A Work certified as complete and operational, each such portion being hereinafter referred to as the 'Final Phase 1A Investment.'

(ii) The Port Authority shall determine an amount (each such amount being hereinafter referred to as the 'Final Annual Capital Cost') equal to even monthly payments derived by multiplying the applicable Final Phase 1A Investment by a monthly multiplier derived in accordance herewith from time to time by the application of the following formula:

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

Where i equals the Phase 1A Factor (as determined by the Port Authority) divided by twelve.

Where t (a power) equals 300.

(iii) The Port Authority shall determine the final Phase 1A Charge Per Acre in the manner set forth in item (iv) of subsubparagraph (c)(1) hereof.

(iv) The Port Authority shall determine the final Lessee's Terminal Acreage in the manner set forth in item (v) of subsubparagraph (c)(1) hereof.

(v) The Port Authority shall determine the final Phase 1A Charge in the manner set forth is item (vi) of subsubparagraph (c)(1) hereof.

(4) At the time the Port Authority advises the Lessee of the final Airport Services Factor for the calendar year for which the said determination is being made, the Port Authority shall also advise the Lessee of the final Phase 1A Charge, which shall be the amount due and payable by the Lessee to the Port Authority for each calendar month during the calendar year for which the said determination is being made and for each and every month thereafter during the remainder of the Phase 1A Charge Period. The Lessee shall pay the said Phase 1A Charge at the time it pays the tentative Airport Services Factor for the calendar month following the month during which the said Phase 1A Charge is calculated and shall continue to make payments based on the said Phase 1A Charge at the time it pays each Airport Services Factor during the remainder of the Phase 1A Charge Period.

(5) In the event that the Port Authority shall determine that it expended in the cost of any portion of the Phase 1A Roadway Work amounts as set forth in subsubparagraph (b)(1) hereof which total more or which total less than the applicable Phase 1A Costs in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date up to the time of such determination or at any time after the determination of any final Phase 1A Charge then, (x) if more was

expended, upon demand of the Port Authority, the Lessee shall pay to the Port Authority an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, (y) if less was expended, the Port Authority shall credit to the Lessee an amount equal to the difference between the amounts expended by the Port Authority as so determined by the Port Authority and, in each case, the aforesaid Phase 1A Costs or such final Phase 1A Charge, as the case may be, in effect on the day immediately preceding the applicable Phase 1A Charge Commencement Date or the day immediately preceding the end of the calendar year for which such final Phase 1A Charge is calculated, and, effective from and after such date of such payment or credit, the applicable Phase 1A Costs for purposes of subparagraph (c) hereof shall be increased or decreased, as the case may be, by the amount of such payment or credit and the applicable Phase 1A Charge payable by the Lessee adjusted appropriately hereunder.

(6) Any deficiency in the amounts due to the Port Authority from the Lessee for any calendar year resulting from the adjustment of any Phase 1A Charge shall be paid to the Port Authority by the Lessee within thirty (30) days after demand therefor and any excess payments made by the Lessee determined on the basis of an adjusted Phase 1A Charge shall be credited against future rentals, such credit to be made within thirty (30) days following the adjustment of the applicable Phase 1A Charge, as the case may be."

2. Schedule A of the Lease shall be deemed amended by adding at the end thereof the following:

"IX. The Port Authority and the Lessee hereby agree that the Phase 1A Costs, as defined in Section 60 of the Lease, shall not be included in any calculation under this Schedule A. All costs for construction, repair, maintenance, modification and operation of the Phase 1A Roadways not included in the Phase 1A Costs shall be included hereunder."

3. Section 13 of the Lease, as previously amended, shall be deemed further amended by adding at the end thereof the following:

"(q) In addition to and without limiting any other term, provision covenant or condition of this Agreement, the Lessee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on or from the premises or at the Airport. In addition to and without limiting any other term, provision covenant or condition of this Agreement, any Hazardous Substance disposed of, released or

discharged by the Lessee (or permitted by the Lessee to be disposed of, released or discharged) on or from the premises or at the Airport, shall upon notice by the Port Authority to the Lessee and subject to the provisions of this Agreement, be completely removed, cleaned-up and/or remediated by the Lessee at the Lessee's sole cost and expense. The obligations of the Lessee pursuant to this paragraph shall survive the expiration or termination of this Agreement. '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, 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 declared to be hazardous or toxic, or the removal of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any federal, state, county or municipal or other local statute or law now or at any time hereinafter in effect as amended or supplemented and by the regulations and publications promulgated pursuant thereto."

4. The Lessee 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 Lessee shall indemnify and save harmless the Port Authority of and from any and all claims for commissions 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.

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

6. As hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

7. This Supplemental Agreement and the Lease which it amends constitute the entire agreement between the Port Authority and the Lessee 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 Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or in this Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By

(Title)

(Seal)

ATTEST:

Secretary
Assistant
Daniel V. Marcinik

SIGNATURE FLIGHT SUPPORT-NEW JERSEY, INC.
(successor by merger to Signature Flight Support-Newark, Inc.)

By: Charles D. Bobbitt II

(Title): Senior Vice President of Operations
(Corporate Seal)

APPROVED:

FORM	TERMS

CSL-61273;- Ack. N.J.; Corp. & Corp.

STATE OF NEW Jersey)
) ss.
COUNTY OF Morris)

On the 20th day of August, 1998, before me, the subscriber, a notary public of New York, personally appeared Linda K Moses the Asst. Dir, 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 the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

Nicolina L. Capezzuto
(notarial seal and stamp)

NICOLINA L. CAPEZZUTO
Notary Public New Jersey
My Commission Expires March 25, 2000

STATE OF FLORIDA)
) ss.
COUNTY OF ORANGE)

On the 27th day of July, 1998, before me, the subscriber, a Notary Public of the State of Florida, personally appeared Charles D. Bobbitt II the Senior Vice President of Operations of SIGNATURE FLIGHT SUPPORT-NEW JERSEY, INC., 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 the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Margaret A. Mathwich
MY COMMISSION # CC535083 EXPIRES
February 25, 2000
BONDED THRU TROY FAIN INSURANCE, INC.

Margaret A. Mathwich
(notarial seal and stamp)

273s4

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

AVIATION DEPT.
FILE COPY

Port Authority Lease No. ANA-273
Supplement No. 4
Newark Liberty International Airport

FOURTH SUPPLEMENTAL AGREEMENT

THIS AGREEMENT ("Supplemental Agreement" or "Agreement"), made as of October 14, 2002 ("Effective Date") by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and SIGNATURE FLIGHT SUPPORT – NEW JERSEY, INC., successor by merger to Signature Flight Support Newark, Inc. (formerly known as Butler Aviation-Newark, Inc.) (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, by agreement of lease dated as of January 1, 1986 (which agreement of lease as the same has been supplemented and amended, is hereinafter referred to as the "Lease") the Port Authority leased and granted to Butler Aviation-Newark, Inc. certain premises, rights and privileges at Newark Liberty International Airport as more particularly described in the Lease; and

WHEREAS, said Butler Aviation-Newark, Inc. thereafter changed its corporate name to Signature Flight Support-Newark, Inc.; and

WHEREAS, the Lessee is the successor by merger to Signature Flight Support-Newark, Inc.; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain respects as hereinafter provided;

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of the Effective Date (except as otherwise expressly provided), as follows:

1. (a) Effective as of the Effective Date at 11:59 o'clock p.m. (which date and hour are hereinafter in this Paragraph 1 collectively called the "Surrender Date"), the Lessee hereby surrenders and yields up and does by these presents grant, bargain, sell, surrender and yield up to the Port Authority, its successors and assigns forever the open ground area as shown

in crosses and designated thereon as "Area B" (hereinafter referred to as the "Surrendered Premises") on the sketch attached hereto, together with the table setting forth coordinates attached hereto, hereby made a part hereof and marked "Exhibit B", and the term of the letting with respect thereto under the Lease yet to come and has given, granted and surrendered and by these presents does give, grant and surrender to the Port Authority, its successors and assigns, all the rights, rights of renewal, licenses, privileges and options of the Lessee granted by the Lease with respect to the Surrendered Premises, all to the intent and purpose that the said term under the Lease and the said rights of renewal, licenses, privileges and options may be wholly merged, extinguished and determined on the Surrender Date with the same force and effect as if the said term were in and by the provisions of the Lease originally fixed to expire on such date;

TO HAVE AND TO HOLD the same unto the Port Authority, its successors and assigns forever.

(b) The Lessee hereby covenants on behalf of itself, its successors and assigns that (i) it has not done or suffered and will not do or suffer anything whereby the Surrendered Premises, or the Lessee's leasehold therein, has been or shall be encumbered as of the Surrender Date in any way whatsoever; (ii) the Lessee is and will remain until the Surrender Date the sole and absolute owner of the leasehold estate in the Surrendered Premises and of the rights, rights of renewal, licenses, privileges and options granted by the Lease with respect thereto and that the same are and will remain until the Surrender Date free and clear of all liens and encumbrances of whatsoever nature; and (iii) the Lessee has full right and power to make this Agreement.

(c) All promises, covenants, agreements and obligations of the Lessee with respect to the Surrendered Premises, under the Lease or otherwise, which under the provisions thereof would have matured upon the date originally fixed in the Lease for the expiration of the term thereof, or upon the termination of the Lease prior to the said date, or within a stated period after expiration or termination, shall, notwithstanding such provisions, mature on the Surrender Date and shall survive the execution and delivery of this Agreement.

(d) The Lessee does by these presents release and discharge the Port Authority from any and all obligations of every kind, past, present or future on the part of the Port Authority to be performed under the Lease with respect to the Surrendered Premises. The Port Authority does by these presents release and discharge the Lessee from any and all obligations on the part of the Lessee to be performed under the Lease with respect to the Surrendered Premises for that portion of the term subsequent to the Surrender Date; it being understood that nothing herein contained shall release, relieve or discharge the Lessee from any liability for rentals or for other charges that may be due or become due to the Port Authority for any period or periods prior to the Surrender Date, or for breach of any other obligation on the Lessee's part to be performed under the Lease for or during such period or periods or maturing pursuant to paragraph (c) above.

(e) In consideration of the making of this Agreement by the Port Authority, the Lessee hereby agrees to terminate its occupancy of the Surrendered Premises and to deliver actual physical possession of the same to the Port Authority on or before the Surrender Date, in

the condition required by the Lease upon surrender. The Lessee further agrees that it will remove from the Surrendered Premises prior to the Surrender Date all equipment, inventories, removable fixtures and other personal property of the Lessee or for which the Lessee is responsible. With respect to any such property not so removed, the Port Authority may at its option, as agent for the Lessee and at the risk and expense of the Lessee, remove such property to a public warehouse or may retain the same in its own possession and in either event, after the expiration of thirty (30) days, may sell or consent to the sale of the same at a public auction; the proceeds of any such sale shall be applied first to the expenses of removal, sale and storage, and second to any sums owed by the Lessee to the Port Authority; any balance remaining shall be paid to the Lessee. The Lessee shall pay to the Port Authority any excess of the total cost of removal, storage and sale over the proceeds of sale.

2. (a) Effective as of the day immediately following the Effective Date (October 15, 2002), subject to and in accordance with all of the terms, covenants and conditions of the Lease as herein amended, the Port Authority hereby lets to the Lessee and the Lessee hires and takes from the Port Authority, at Newark Liberty International Airport, the open ground area designated "Area C" and denoted by the word "DETAIL" (hereinafter called "Area C") and as shown in detail and with the table setting forth coordinates on Exhibit B, together with the structures, fixtures, improvements and other property, if any of the Port Authority located or to be located therein or thereon, to be and become, at 12:01 a.m. on October 15, 2002, a part of the premises let to the Lessee under the Lease, for a term expiring at 11:59 o'clock p.m. on August 31, 2014, subject to earlier termination. The parties hereby acknowledge that Area C constitutes non-residential real property.

(b) The Lessee shall use Area C in connection with the operations of the Lessee under the Lease in accordance with Section 5 of the Lease, and for any other purpose or activity for which the Port Authority, expressly in writing, authorizes.

(c) The Port Authority shall deliver Area C to the Lessee in its presently existing "as is" condition. The Lessee acknowledges that prior to the execution of this Agreement, it has thoroughly examined and inspected Area C and has found it suitable for the Lessee's operations therein under the Lease and herein amended. The Lessee agrees to and shall take Area C in its "as is" condition and the Port Authority shall have no obligation under the Lease as herein amended for finishing work or preparation of any portion of Area C for the Lessee's use.

(d) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the suitability of Area C for the operations permitted thereon by the Lease as herein amended. Without limiting any obligation of the Lessee to commence operations under the Lease as herein amended at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of Area C will be used initially or at any time during the term of the letting thereof which is in a condition unsafe or improper for the conduct of the Lessee's operations therein under the Lease as herein amended so that there is possibility of injury or damage to life or

property and the Lessee further agrees that before any use it will immediately correct any such unsafe or improper condition.

The Lessee hereby further agrees to relieve the Port Authority from and 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 said Area C of the premises and all parts thereof whether any aspect of such condition existed prior to, on or after the applicable effective date of the letting of Area C hereunder, including without limitation all Environmental Requirements (as defined in Section 49 of the Lease as amended in Paragraph 10 of this Supplemental Agreement) and Environmental Damages (as defined in Section 49 of the Lease as amended in Paragraph 10 of this Supplemental Agreement), and to indemnify and hold harmless the Port Authority for all such risks, responsibilities, costs and expenses. If so directed, the Lessee 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 written 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. It is hereby understood and agreed that whenever reference is made in this Lease to the condition of Area C as of the commencement of the term thereof, the same shall be deemed to mean the condition of the premises as of the commencement date of the letting thereof as set forth above, and as to the improvements made and the alteration work performed during the term of the Lease in the condition existing after the completion of the same. All the obligations of the Lessee under this paragraph with respect to responsibilities, risks, costs and expenses assumed by the Lessee shall survive the expiration or termination of this Lease.

3. It is acknowledged and agreed that the surrender from the premises of Area B pursuant to Paragraph 1 of this Supplemental Agreement and the addition to the premises of Area C pursuant to Paragraph 2 of this Supplemental Agreement reflect ground area exchanges with the lessee of the adjacent areas on the easterly boundary of the premises, Continental Airlines, Inc. ("Continental"), and that any Port Authority execution or delivery of this Supplemental Agreement to the Lessee will be preceded by Continental's execution and delivery to the Port Authority of an appropriate supplement (as prepared by the Port Authority) to Continental's lease covering the surrender, effective as of October 14, 2002, from the Continental lease of the area added as Area C hereunder and covering the addition to the premises under the Continental lease of the area (Area B) surrendered from the premises hereunder.

4. Effective for the period from and after the Effective Date, subdivision I entitled "Ground Rental" of Section 4 of the Lease is hereby amended as follows:

(a) Subparagraph (a) (2) of said subdivision I is hereby amended as follows: The date appearing on the 3rd line thereof as "December 31, 2005" shall be deemed amended to read "October 14, 2002".

(b) Subparagraph (a) (3) of said subdivision I shall be deemed deleted in its entirety and the following new subparagraphs (a)(3) and (a)(4) are hereby inserted in lieu thereof to read as follows:

"(3) For the portion of the term of the Lease commencing on October 15, 2002 and continuing up to and including December 31, 2005, a Ground Rental for the premises, as herein amended, at an annual rate consisting of two factors, one a constant factor in the amount of Seventy-eight Thousand Nine Hundred Sixty Dollars and No Cents ($78,960.00) and the other the Airport Services Factor which shall consist of the Airport Services Factor in the amount set forth in subparagraph (1) above, as the same shall have been adjusted in accordance with paragraph (b) hereof for each calendar year preceding the commencement date of the portion of the term specified in this subparagraph (3), and which shall be the Airport Services Factor in effect on the date of the commencement of the Ground Rental provided for in this subparagraph (3), and which shall be subject to further adjustment as provided in paragraph (b) hereof.

(4) For the portion of the term of the Lease commencing on January 1, 2006 and continuing up to and including August 31, 2014, a Ground Rental for the premises at an annual rate consisting of two factors, one a constant factor in the amount of Ninety-five Thousand Eight Hundred Eighty Dollars and No Cents ($95,880.00) and the other the Airport Services Factor which shall consist of the Airport Services Factor in the amount set forth in subparagraph (1) above, as the same shall have been adjusted in accordance with paragraph (b) hereof for each calendar year preceding the commencement date of the portion of the term specified in this subparagraph (4), and which shall be the Airport Services Factor in effect on the date of the commencement of the Ground Rental provided for in this subparagraph (4), and which shall be subject to further adjustment as provided in paragraph (b) hereof."

(c) Subparagraph (b) of said subdivision I is hereby amended as follows: The last three (3) lines thereof shall be deemed amended to read as follows"

"of $79,896 shall remain unchanged; for the portion of the term specified in subparagraph (a) (3) above the constant factor of $78,960 shall remain unchanged; for the portion of the term specified in subparagraph (a)(4) above the constant factor of $95,880 shall remain unchanged."

5. Paragraph (a) of Section 10 of the Lease is hereby amended to read as follows"

"(a) The Lessee shall promptly comply with, observe and execute all laws and ordinances and governmental rules, regulations, orders, requirements and similar items, including without limitation, all Environmental Requirements, now or at any time during the term of this Agreement which as a matter of law are applicable to or which affect (i) the premises or the groundwater thereunder, (ii) the operations of the Lessee at the premises or the Airport, (iii) the occupancy and use of the premises and/or (iv) any Hazardous Substance which has migrated from or from under the premises. The Lessee shall, in accordance with and subject to the provisions of Section 22 hereof entitled Other Construction by the Lessee make any and all structural and non-structural improvements, alterations or repairs of the premises and perform all remediation, containment and clean-up of Hazardous Substances required in order to fully satisfy the compliance obligations set forth herein."

6. Section 12 of the Lease is hereby amended by adding at the end thereof the following:

"(l) Without limiting any other of the Lessee's obligations under the Lease, the Lessee shall provide the General Manager of the Airport at the cost and expense of the Lessee with such information, documentation, records, correspondence, notices, reports, tests, results, and certifications and any other information as the Port Authority shall request in connection with any Environmental Requirements or Environmental Damages, and the Lessee shall promptly acknowledge, swear to, sign or otherwise fully execute the same. The Lessee agrees that any of the foregoing may be filed by the Port Authority with the appropriate governmental authority on behalf of the Lessee at the Lessee's cost and expense. Further, the Lessee agrees unless directed otherwise by the Port Authority, to provide the General Manager of the Airport with copies of all information, documentation, records, correspondence, notices, certifications, reports, test results and all other submissions provided by the Lessee to a governmental authority and by a governmental authority to the Lessee within two (2) business days that the same are made available to or received by the Lessee with respect to any Environmental Requirements.

(m) In addition to and without limiting the generality of the obligations of the Lessee set forth above and elsewhere in the Lease, the Lessee shall at its sole cost and expense and in accordance with and subject to the provisions of Section 22 hereof, upon notice from the Port Authority, promptly take all actions to completely remove and remediate all Hazardous Substances on the premises or the Airport which result from the Lessee's use and occupancy of the premises or which have been disposed of, released, discharged or otherwise placed on, under or about the premises during the term of the letting hereunder, and to cleanup and remediate all other Hazardous Substances on, about or under the premises or which have migrated from the premises to any adjoining property, which any federal, state or local governmental

agency or political subdivision or any Environmental Requirement or any violation thereof require to be remediated, and to cleanup and remediate all Hazardous Substances necessary to mitigate Environmental Damages. The foregoing obligations of the Lessee shall include without limitation the investigation of the environmental condition of the area to be remediated, the presentation of feasibility studies, reports and remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work; the standard for any of the foregoing to be that standard as required under Environmental Requirements and in the event that any Environmental Requirement sets forth more than one standard, the standard to be applied shall be that which requires the lowest level of a Hazardous Substance. The Lessee agrees that, notwithstanding the foregoing, the Port Authority shall have the right at any time and from time to time, acting in its sole discretion, to designate any standard or standards of remediation or cleanup permitted or required under any Environmental Requirement, and such designation shall be binding upon the Lessee with respect to its obligations hereunder. Any actions of the Lessee under the foregoing shall be performed in a good, safe and workmanlike manner and shall minimize any impact on activities off the premises. The Lessee shall promptly provide to the Port Authority all copies of test results and reports generated in connection with such actions. Promptly upon completion of such investigation and remediation, the Lessee shall seal or cap all monitoring wells and test holes, remove all associated equipment and restore the remediated property."

7. (a) Section 28 of the Lease is hereby amended by adding at the end thereof the following new paragraph "(c)" reading as follows:

"(c) Notwithstanding anything to the contrary herein contained, all of the obligations of the Lessee under this Lease with respect to Environmental Damages and Environmental Requirements shall survive the expiration or termination of this Agreement."

(b) Paragraph (b) (5) of Section 28 is hereby amended to read as follows:

"(5) An amount equal to all expenses reasonably incurred by the Port Authority in connection with regaining possession and restoring and reletting the demised premises, for legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), putting the premises in order including, without limitation, cleaning, decorating and restoring (on failure of the Lessee to restore), maintenance and brokerage fees."

8. Paragraph (c) of Section 36 of the Lease shall be deemed amended by inserting at the end thereof the following:

"The Lessee hereby further agrees to relieve the Port Authority from and 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 premises and all parts thereof whether any aspect of such condition existed prior to, on or after the applicable effective date of the letting of each part of the premises hereunder, including without limitation all Environmental Requirements and Environmental Damages, and to indemnify and hold harmless the Port Authority for all such risks, responsibilities, costs and expenses. If so directed, the Lessee 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 written 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. It is hereby understood and agreed that whenever reference is made in this Lease to the condition of the premises as of the commencement of the term thereof, the same shall be deemed to mean the condition of the premises as of the applicable commencement date of the letting of each part of the premises under this Lease, and as to the improvements made and the alteration work performed during the term of the Lease in the condition existing after the completion of the same. All the obligations of the Lessee under this paragraph with respect to responsibilities, risks, costs and expenses assumed by the Lessee shall survive the expiration or termination of this Lease."

9. Section 37 of the Lease is hereby amended as follows: The address set forth therein for the Port Authority shall be deemed amended to read "225 Park Avenue South, New York, New York 10003".

10. Section 49 of the Lease is hereby amended by adding at the end thereof the following:

"(s) "Environmental Damages" shall mean any one or more of the following: (i) the presence in, on, or under the premises of any Hazardous Substance, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the premises or of any Hazardous Substance from under the premises and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (a) the Lessee's use and occupancy of the premises or the performance of any construction work or any other work or activities at the premises or (b) a migration of a Hazardous Substance from the

premises or from under the premises or (c) the Lessee's operations at the Airport, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or (v) the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the premises and/or the activities thereon.

(t) "Environmental Requirement" shall mean in the singular and "Environmental Requirements" shall mean in the plural all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, 'best management practices plans', and other programs adopted and agreements made by the Port Authority with any governmental agencies (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

(i) 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, or the transfer of property on which Hazardous Substances exist;

(ii) All requirements pertaining to the protection from Hazardous Substances of the health and safety of employees or the public;

(u) "Hazardous Substance" shall mean and include in the singular and "Hazardous Substances" shall mean and include in the plural any pollutant, contaminant, toxic or hazardous waste, dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls ("PCBs"), chemicals known to cause cancer, endocrine disruption 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, containment or restriction 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 or in the future shall be restricted, prohibited, regulated or penalized by any federal, state, county, or municipal or other local statute or law now or at any time hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto."

11. Schedule A attached to the Lease is hereby amended as follows: The last three lines of Paragraph III thereof shall be deemed amended to read as follows:

"which the adjustment is being made (for the calendar year 2002 adjustment, it is hereby agreed said denominator shall be 0.667%)."

12. Except as hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

13. Each party 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. Each party shall indemnify and save harmless the other party of and from all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services provided to or on behalf of the indemnifying party in connection with the negotiation and execution of this Supplemental Agreement.

14. No Commissioner, director, officer, agent or employee of either party to this Supplemental Agreement, shall be charged personally or held contractually liable by or to the other party under any term or provision of this Supplemental Agreement, or because of its or their execution or attempted execution or because of any breach or attempted or alleged breach thereof. The Lessee agrees that no representations or warranties with respect to this Supplemental Agreement shall be binding upon the Port Authority unless expressed in writing herein.

15. This Supplemental Agreement, together with the Lease which it amends constitutes the entire agreement between the Port Authority and the Lessee 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 Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplemental Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By:

David Kagan
Assistant Director
(Title) ~~Business, Properties & Airport Development~~
(Seal)

ATTEST:

Secretary
Joseph I. Goldstein

SIGNATURE FLIGHT SUPPORT - NEW JERSEY, INC.

By
Elizabeth A. Haskins

(Title) President
(Corporate Seal)

APPROVED AS TO FORM:
CHG 12/30/03
LEGAL DEPT.

APPROVED FOR TRANSMITTAL

FORM	TERMS
4/14/03	

APPROVED:

FORM	TERMS

SECURITY DRAWING EXEMPT UNDER EX. (4) OF THE CODE

273s4

CSL-61273;- Ack. N.J.; Corp. & Corp.

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

On the 1ST day of MARCH, 2003, before me, the subscriber, a notary public of New York, personally appeared DAVID KAGAN the ASSISTANT DIRECTOR 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 the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Commissioners.

(notarial seal and stamp)
Gail E. Mitchell

GAIL E. MITCHELL
NOTARY PUBLIC STATE OF NEW YORK
NO. 01MI6026210
QUALIFIED IN QUEENS COUNTY
COMMISSION EXPIRES JUNE 14, 2007

STATE OF FLORIDA)
) ss.
COUNTY OF ORANGE)

On the 30th day of December, 2003, before me, the subscriber, a---------
---------- , personally appeared Elizabeth A. Haskins the President of SIGNATURE FLIGHT SUPPORT-NEW JERSEY, INC., 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 the within instrument is the voluntary act and deed of such corporation made by virtue of the authority of its Board of Directors.

Karen A. White-Evans
MY COMMISSION EXPIRES
August 24, 2006
#DD111634
Bonded thru
Troy Fain-Insurance
NOTARY PUBLIC, STATE OF FLORIDA

(notarial seal and stamp)
Karen A. White-Evans

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

AVIATION DEPT.
FILE COPY

Port Authority Lease No. ANA-273
Supplement No. 5
Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of the 31st day of December 2005 by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority")and SIGNATURE FLIGHT SUPPORT CORPORATION, successor by merger with Signature Flight Support- New Jersey, Inc, (successor by merger with Signature Flight Support Newark, Inc., formerly known as Butler Aviation-Newark, Inc.) a corporation organized and existing under the laws of the State of Delaware with an office and place of business at 201 South Orange Avenue, Suite 1290, Orlando, Florida 32801 (hereinafter called the "Lessee"), whose representative is Ms. Wendy McDowell.

WITNESSETH, That:

WHEREAS, by agreement of lease dated as of January 1, 1986 (which agreement of lease as the same has been supplemented and amended, is hereinafter referred to as the "Lease") the Port Authority leased and granted to Butler Aviation-Newark, Inc. certain premises, rights and privileges at Newark Liberty International Airport as more particularly described in the Lease; and

WHEREAS, said Butler Aviation-Newark, Inc. thereafter changed its corporate name to Signature Flight Support-Newark, Inc.; and

WHEREAS, said Signature Flight Support-New Jersey, Inc. is the successor by merger with Signature Flight Support-Newark, Inc.; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain respects as hereinafter set forth;

NOW, THEREFORE, for and in consideration of the foregoing, and of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. Effective as of June 1, 2004, the address "P.O. Box 17309, Newark, New Jersey 07194" located in Section 41 of the Lease shall be deemed deleted and the following new address and words and numbers shall be substituted in lieu thereof:

"P.O. BOX 95000-1517, Philadelphia, PA 19195-1517, or via the following wire transfer instructions: Bank: Commerce Bank, Bank ABA Number: 026013673, Account Number: 5950011618"

2. Effective as of October 13, 2005 the following amendments shall be deemed made to the Lease:

(a) The following new subparagraph (6) shall be deemed added to paragraph (b) of Section 28 entitled "Survival Obligations of the Lessee":

"(6) An amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such termination, cancellation, re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of the premises (on failure of the Lessee to have restored), the reletting of the premises, the care and maintenance of the premises during any period of vacancy of the premises, the foregoing to include without limitation, personnel costs and legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), brokerage fees and commissions, repairing and altering the premises and putting the premises in order (such as but not limited to cleaning and decorating the premises)."

(b) The following new paragraph shall be deemed added at the end of Section 55 entitled "Late Charges":

"In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Lessee, the Lessee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under this Lease or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority to payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid 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 Lease, including, without limitation, the Port Authority's rights to revoke this Lease or (ii) any

obligations of the Lessee under this Lease."

3. Effective as of the December 31, 2005, the following changes shall be deemed made to the Lease:

(a) Section 47 entitled "Contract of Guaranty", and as amended in Supplement No. 2 of the Lease, shall be and be deemed deleted without substitution.

(b) Section 59 entitled "Security Deposit", as previously amended and as set forth in Supplements Nos. 1 and 2 to the Lease, is hereby further amended as follows:

(1) Paragraph (a) shall be deemed omitted.

(2) The first sentence of paragraph (b) shall be deemed deleted and the following new first sentence shall be deemed substituted in lieu thereof:

"Upon the execution of Supplement No. 5 to the Lease by the Lessee and delivery thereof to the Port Authority, the Lessee shall cause to be deliver to the Port Authority as security for the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of this Agreement and the Other Agreements on its part to be fulfilled, kept, performed or observed, and as security for the payment of all rentals, fees, charges and obligations owed or which may become due and owing to the Port Authority arising fro the Lessee's operations at the Airport , whether covered by a written agreement or otherwise, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority, and payable in the Port of New York District in the amount of Three Hundred Ten Thousand Dollars and No Cents ($310,000.00)."

(3) Subparagraph (2) to paragraph (c) shall be deemed deleted without substitution.

(4) Paragraph (e) shall be deemed deleted without substitution.

(5) Paragraph (g) shall be deemed deleted and the following new paragraph (g) shall be deemed substituted in lieu thereof:

"(g) For purposes of the foregoing, the Lessee hereby certifies that its I.R.S. Employee Identification No. is (Ex. 1)

4. The Lessee acknowledges and agrees that upon the Port Authority's receipt and acceptance of the Security Deposit in the amount of $310,000.00 in the form of a letter of credit, as set forth in subparagraph (b)(2) of paragraph 3 herein, the Port Authority shall return to the

Lessee the $150,000.00 deposit as set forth in paragraph 1 herein which is in the form of (i) a $100,000 letter of credit and (ii) $50,000 cash.

5. No Commissioner, officer, agent or employee of the Port Authority shall be charged personally by the Lessee with any liability or held liable to any of them under any term or provision of this Agreement, or because of its execution, or because of any breach or attempted or alleged breach thereof.

6. As hereby amended, all the provisions of the Lease shall be and remain in full force and effect.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first hereinabove set forth.

ATTEST:

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By David Kagan

Assistant Director

(Title) Business. Properties & Airport Development

(Seal)

Lessee:

ATTEST:

Secretary

SIGNATURE FLIGHT SUPPORT CORPORATION

By

Print Name: STEPHEN W. LEE

(Title) Chief Operating Officer

(Corporate Seal)

APPROVED AS TO FORM:

11/28/06

LEGAL DEPT.

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:

3/1/07

PDN/dmt

For The Port Authority of New York & New Jersey

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

On this 16 day of MARCH ~~2006~~ 2007, before me, the subscriber, a notary public of New York, personally appeared DAVID PAGAN, the ASST DIR BUSINESS the OPS. & AIRPORT DEVEL. 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/her the contents thereof, he/she did acknowledge that he/she 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, 2007

For Signature Flight Support Corporation

STATE OF FLORIDA)
) :ss
COUNTY OF ORANGE)

On the 1ST day of DECEMBER, 2006, before me the subscriber a NOTARY Public, personally appeared STEPHEN W. LEE, Chief Operating Officer of Signature Flight Support Corporation, who I am satisfied is the person who has signed the within instrument; and I having first made known to him/her the contents thereof, he/she did acknowledge that he/she 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 Directors.

Josephine A. Dettmore
(notarial seal and stamp)

NOTARY PUBLIC STATE OF FLORIDA
Josephine A. Dettmore
Commission # DD584091
Expires November 8, 2010
Bonded Troy Fain Insurance, Inc. 800-385-7019

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

AVIATION DEPT.
FILE COPY

Port Authority Lease No. ANA-273
Supplement No. 6
Newark Liberty International Airport

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of June 1, 2011 ("Effective Date"), by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY ("Port Authority") and SIGNATURE FLIGHT SUPPORT CORPORATION, successor by merger with Signature Flight Support-New Jersey, Inc. (successor by merger with Signature Flight Support Newark, Inc., formerly known as Butler Aviation-Newark, Inc.), a corporation organized and existing under the laws of the State of Delaware, with an office and place of business at 201 South Orange Avenue, Suite 1100S, Orlando, Florida 32801 ("Lessee"), whose representative is Marie Sastre, its Chief Operating Officer.

WITNESSETH, That:

WHEREAS, by agreement of lease, dated as of January 1, 1986 (which agreement of lease as the same has been supplemented and amended is hereinafter referred to as the "Lease") the Port Authority leased and granted to Butler Aviation-Newark, Inc. certain premises, rights and privileges at Newark Liberty International Airport, as more particularly described in the Lease; and

WHEREAS, said Butler Aviation-Newark, Inc. thereafter changed its corporate name to Signature Flight Support-Newark, Inc.; and

WHEREAS, said Signature Flight support-New Jersey, Inc. is the successor by merger with Signature Flight Support-Newark, Inc.; and

WHEREAS, the Port Authority and the Lessee desire to amend the Lease in certain respects as hereafter set forth;

NOW, THEREFORE, for and in consideration of the foregoing, and of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. Amendment to Section 3 of the Lease

Section 3 of the Lease, entitled "*Term*" shall be amended to provide as follows:

"The term of the letting hereunder shall commence as to all of the premises on January 1, 1986 and, unless sooner terminated, the term of the letting hereunder shall expire as to all of the premises on August 31, 2024."

2. Additional Construction by Lessee

(a) (1) The Lessee shall, prior to its submission to the Port Authority of the plans and specifications hereinafter provided for, submit to the Port Authority for its consent the Lessee's comprehensive plan for the further development of the premises including, but not limited to, renderings, layouts, locations, models, estimated commencement and completion dates, and preliminary functional plans.

(2) Without limiting the above, the Lessee agrees that said comprehensive plan shall include all necessary soil remediation in a manner satisfactory to the Port Authority and the construction on, off and under the site of:

(i) the demolition of the west portion of the hangar building that is currently being used for a passenger terminal and office complex (as shown in the stipple area on Exhibit A, attached to this Supplement) attached to the New Hangar Building (as defined in Section 2 of the Lease, entitled "*Construction by the Lessee*" ("*Demolition Work*") to be replaced at the same location with a modern, state-of-the-art, permanent, passenger terminal building, including an office space complex, consisting of approximately 10,000 square feet of floor space, the foregoing building, together with all associated and related areas and related facilities, being sometimes hereinafter called, the "Redeveloped Hangar Building". References in the Lease to New Hangar Building shall include the Redeveloped Hangar Building.

(ii) the construction of a temporary modular terminal facility inside a portion of the New Hangar Building, and its removal after the Redeveloped Hangar Building is complete and a permit to occupy is issued by the Port Authority;

(iii) milling and resurfacing of the Ramp and Apron Areas within the premises to include, without limitation, the installation of a deicing fluid recovery system;

(iv) installation of 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 construction and operation of the premises;

(v) construction of all necessary roadways and ramps and pedestrian circulation areas within the premises, together with all associated and related areas and facilities needed for the construction and operation of the premises;

(vi) construction of all parking space within the premises, together with all associated and related areas and facilities needed for the construction and operation of the premises; and

(vii) construction of all grading and paving of ground areas, any and all environmental remediation arising out of, relating to, or associated with the demolition,

construction work and other renovation to be performed pursuant to this Supplement, and the operation of the Replacement Hangar Facilities and at the premises; and

(viii) installation of all appropriate landscaping within the premises.

All of the work set forth above in this subparagraph (2), including the Demolition Work, shall be hereinafter collectively called the "*Construction Work*". The Lessee shall also be responsible to provide, at its own costs and expense, its furniture, fixture, equipment, operating supplies and equipment, including art work, all of which shall constitute personal property and shall not constitute a part of the Construction Work for purposes of calculating the Unamortized Capital Investment as described in Section 57 of the Lease, as amended by this Supplement.

(3) All of the Construction Work shall be constructed by the Lessee on the site and off the site where required and, where constructed on the premises, shall be and become a part of the premises under this Supplement.

(4) The Lessee shall keep the comprehensive plan covered by this paragraph (a) up to date and shall submit to the Port Authority for its prior approval any amendment, revision or modification thereof.

(b) The Lessee agrees at its sole cost and expense to design and construct the Construction Work. Prior to the commencement of the Construction Work and in addition to the comprehensive plan, the Lessee shall submit to the Port Authority for the Port Authority's approval complete plans and specifications for the Construction Work or for portions thereof. The Port Authority may refuse to grant approval to said plans and specifications for the Construction Work or for portions thereof if, in its opinion, any of the proposed Construction Work as set forth in said plans and specifications (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) would:

(i) Be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed; or

(ii) Not comply with the Port Authority's requirements (in effect at the time of submission and/or approval) for harmony of external architecture of similar existing or future improvements at the Airport; or

(iii) Not comply with the Port Authority's requirements with respect to external and interior building materials and finishes of similar existing or future improvements at the Airport; or

(iv) Not provide for sufficient clearances for taxiways, runways and apron areas; or

(v) Be designed for use for purposes other than those authorized under the Lease, as hereby amended; or

(vi) Set forth ground elevations or heights other than those prescribed by the Port Authority; or

(vii) Not provide adequate and proper circulation areas; or

(viii) Not be at locations or not be oriented in accordance with the Lessee's approved comprehensive plan; or

(ix) Not comply with the provisions of the Basic Lease, including without limiting the generality thereof, those provisions of the Basic Lease providing that the Port Authority will conform to the enactments, ordinances, resolutions and regulations of the City of Newark and its 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 so to do; or

(x) Be in violation or contravention of any other provisions and terms of the Lease, as hereby amended; or

(xi) Not comply with all applicable governmental laws, ordinances, enactments, resolutions, rules and orders; or

(xii) Not comply with all applicable requirements of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New Jersey; or

(xiii) Not comply with the Port Authority's requirements with respect to landscaping, if applicable; or

(xiv) Not comply with the Port Authority's requirements and standards with respect to noise, air pollution, water pollution or other types of pollution; or

(xv) Not comply with the Americans with Disabilities Act of 1990 and all federal rules, regulations and guidelines pertaining thereto, including but not limited to the American National Standard Specifications for Making Buildings and Facilities Accessible to and Usable by Physically Handicapped People, ANSI A117.180.

(c) Prior to the commencement of the Construction Work, the Lessee shall cause to be delivered to the Port Authority, a payment and performance bond either (A) in the form attached hereto as Exhibit B and hereby made a part hereof or (B) in another form approved in advance in form and substance to the Port Authority in its sole discretion and whereby the Port Authority shall be listed as a payee, protecting the Port Authority from monetary risk during, relating to or arising out of the Construction Work, and in all events, such bond shall be only with a surety listed in the Financial Management Service of the United States Department of the Treasury. The said payment and performance bond shall be in an amount equal to the entire contract price for the Construction Work. Said payment and performance bond shall guarantee the full, faithful and prompt performance of and compliance with, on the part of the Lessee, all of the terms, provisions, covenants and conditions of the Lease, as hereby amended, relating to the Construction Work. Such payment and performance bond shall apply to and be in effect during the period from the commencement of the Construction Work to and including the Completion Date (as defined herein), including but not limited to the terms, provisions, covenants and conditions which relate to the Construction Work and the insurance, indemnity and environmental obligations associated with the Construction Work, and the Lessee shall keep and maintain said payment and performance bond in full force and effect; provided, however, that such payment and performance bond shall remain in effect in all respects until the Lessee fully satisfies its obligations hereunder relating to the Construction Work. The existence of the

payment and performance bond described in this Supplement shall not limit or alter any other remedies of the Port Authority under the Lease, as hereby amended, and the Port Authority may from time to time and at any time elect to pursue (or not to pursue) its rights under any payment and performance bond without thereby limiting, voiding or relinquishing any of its other rights or remedies under the Lease, as hereby amended.

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

(1) (i) The Lessee 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 Lessee 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 Lessee 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 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, direct or consequential, whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third persons, or from acts of God or of the public enemy, or otherwise (including claims of the City of Newark against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the said City against claims), excepting only claims and demands which result solely from the sole negligent acts or omissions of the Port Authority; provided, however, that the foregoing exception for "sole negligence" as used herein shall not include any instance in which the Port Authority shall have relied on information or documents provided by the Lessee or any of its contractors or subcontractors in connection with the Lease, as hereby amended.

(ii) If so directed, the Lessee 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 written 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.

(2) Prior to engaging or retaining an architect or architects for the Construction Work, the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. 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 Lessee shall continue to resubmit plans and specifications as required. Upon approval of such plans and

specifications by the Port Authority, the Lessee shall proceed diligently at its sole cost and expense to perform the Construction Work. All Construction Work, including workmanship and materials, shall be of first class quality. The Lessee shall re-do, replace or construct at its own cost and expense, any Construction Work not done in accordance with the approved plans and specifications, the provisions of this Supplement or any further requirements of the Port Authority. The Lessee shall expend not less than Eleven Million Dollars ($11,000,000.00) for the Construction Work, all such amounts consisting of the sum of: (1) the amounts paid by the Lessee to independent contractors for work actually performed and labor and materials actually furnished in connection with the Construction Work; and (2) the payments made and expenses incurred by the Lessee, in connection with such construction, for engineering, architectural, professional and consulting services and the supervision of construction; provided, however, that such payments and expenses pursuant to this item (2) shall not exceed 15% of the amounts described in item (1) hereof. The Construction Work shall be completed no later than December 31, 2013.

(3) Prior to Lessee entering into a contract for any part of the Construction Work, the Lessee shall submit to the Port Authority for its approval the names of the contractors to whom the Lessee proposes to award said contracts. The Port Authority shall have the right to disapprove any contractor who may be unacceptable to it. The Lessee shall include in all such contracts such provisions and conditions as may be reasonably required by the Port Authority. Without limiting the generality of the foregoing all of the Lessee's construction contracts shall provide as follows: "If (1) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third person which arise 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 Lessee 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 Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee 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 Lessee 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 Lessee 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 Lessee 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 Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by the Lessee 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 Lessee under this provision."

(4) The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to start of the Construction Work.

(5) The Lessee shall furnish or require its architect to furnish a full time resident engineer licensed in the State of New Jersey on the site during the construction period. The Lessee 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.

(6) The Lessee 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 that the same have been approved by the Port Authority and notwithstanding the incorporation therein of Port Authority recommendations or requirements. Notwithstanding the requirement for approval by the Port Authority of the contracts to be entered into by the Lessee or the incorporation therein of 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 Lessee or for any other matter in connection therewith and the Lessee 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 Construction Work pursuant to the contracts between the Lessee and its contractors. Any warranties contained in any construction contract entered into by the Lessee for the performance of the Construction Work hereunder shall be for the benefit of the Port Authority as well as the Lessee, and the contract shall so provide.

(7) 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.

(8) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of "as built" drawings of the Construction Work in an electronic CADD data file on a CD Rom in a format to be designated by the Port Authority, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the execution of this Supplement being hereby acknowledged by the Lessee). The Lessee shall during the term of the Lease, as hereby amended, keep said digital electronic files of drawings and said electronic CADD data files current showing thereon any changes or modifications which may have been made and provide copies thereof to the Port Authority as the Port Authority may request from time to time. No changes or modifications shall be made without prior Port Authority consent.

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

(10) (i) Without limiting the generality of any other term or condition of this Supplement, title to any soil, dirt, sand or other material on the premises or the Airport excavated by the Lessee during the course of the Construction Work (all the foregoing being hereinafter called the "Excavated Material") and not used at the premises shall vest in the Lessee

upon the excavation thereof and all such Excavated Material shall be delivered and deposited by the Lessee at the Lessee's sole cost and expense to any location off the Airport that shall have been approved by the Port Authority, all in accordance with the terms and conditions of this Supplement including, without limitation, this Paragraph 2(d)(10) and all applicable Environmental Requirements. The entire proceeds, if any, of the sale or other disposition of the Excavated Material shall belong to the Lessee.

(ii) In addition to subparagraph (10)(i) above, in its performance of the Construction Work, the Lessee shall perform at its cost and expense all appropriate, required and necessary work for the removal of all asbestos, lead, petroleum contamination and other Hazardous Substances from the site including, without limitation, the groundwater thereunder, the foregoing to include, without limitation, the handling, transporting and off-Airport disposal thereof in accordance with applicable law including, without limitation, all applicable Environmental Requirements (including, if required, disposal of asbestos in a long-term disposal facility at the Lessee's sole cost and expense) and all in a manner satisfactory to the Port Authority.

(iii) Promptly upon final disposition of any Hazardous Substance from the premises or the Airport in the performance of the Construction Work, the Lessee shall submit to the Port Authority a "Certification of Final Disposal" stating the type and amount of material disposed, the method of disposal and the owner and location of the disposal facility. The format of such certification shall follow the requirements, if any, of governmental agencies having jurisdiction as if the Port Authority were a private organization and the name of the Port Authority shall not appear on any certificate or other document as a generator or owner of such material.

(iv) In the event any Hazardous Substance is discovered in the performance of the Construction Work, the Lessee in reporting such Hazardous Substance shall direct such report to the attention of such individual at the subject governmental authority as the General Manager of the Airport shall require in order to assure consistency in the environmental management of the Airport.

(11) The Lessee shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, 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 Lessee to contest any claim of a contractor, subcontractor, materialman, workman or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this Paragraph 2 unless and until the same shall have been finally adjudicated in a court of competent jurisdiction. The Lessee shall use its best efforts to resolve any such claims and shall keep the Port Authority fully informed of its actions with respect thereto. Nothing herein contained shall be deemed to constitute consent to the creation of any liens or claims against the Premises nor to create any rights in said third persons against the Port Authority.

(12) (i) The Lessee in its own name as insured and including the Port Authority as additional insured shall procure and maintain a policy or policies of Commercial

General Liability Insurance including, but not limited to, coverage with a broad form property damage endorsement for premises-operations, products liability/completed operations (for a minimum of two years after the Completion Date as defined in this Paragraph) and explosion, collapse and underground property damages coverage, and personal injury and providing for the coverage in the limit set forth below; and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles, automatically covering newly acquired vehicles, and providing for coverage in the limit set forth below; with contractual liability coverage for the obligations assumed by the Lessee pursuant to subparagraphs (1) and (6) of this paragraph (c) and the obligations required of the Lessee's contractors pursuant to subparagraph (1) of this paragraph (c); and Workers' Compensation and Employer's Liability Insurance in accordance with the requirements of law; and Environmental Pollution Legal Liability Insurance, which insurance shall be in addition to all policies of insurance otherwise required by this Supplement, or the Lessee may provide such insurance by requiring each contractor engaged by it for the Construction Work to procure and maintain such insurance in the contractor's name as insured and with the Port Authority and the Lessee as additional insureds including such contractual liability endorsements, said insurance not to contain any care, custody or control exclusions, and not to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Lessee or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. The said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the named insured thereunder with respect to any claim or action against the named insured by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority thereunder as additional insured. In addition, said 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 Lessee or its contractors shall be the same as the protections afforded the named insured thereunder with respect to any claim or action against the named insured by a third person as if the Port Authority were the named insured thereunder. Said insurance and any applicable excess liability insurance shall be in not less than the following amounts:

Minimum Limits

(1) Commercial General Liability Insurance:

Combined single limit per occurrence for death, bodily injury and property damage liability	$ 25,000,000.00

(2) Commercial Automobile Liability Insurance:

(covering owned, non-owned and hired vehicles) Combined single limit per occurrence for death, bodily injury and property damage liability	$ 25,000,000.00

(3) Environmental Pollution Legal Liability Insurance $ 2,000,000.00

(ii) The insurance required hereunder shall be maintained in effect during the performance of the Construction Work and shall be in compliance with and subject to the applicable insurance provisions of this Supplement.

(iii) The Environmental Pollution Legal Liability Insurance, which shall include lead abatement liability, shall be on a claims-made basis, providing coverage for bodily injury, property damage and environmental damage caused by pollution conditions, with a limit of not less than $2,000,000 per claim. The policy shall include coverage for environmental clean-up on land, in air and on water. The policy shall also include coverage for completed operations (for two years after the completion of the Construction Work), gradual and sudden and accidental pollution coverage. In addition, the policy shall provide transportation coverage for the hauling of lead based materials, including but not limited to lead paint, from the construction site to the final disposition location. Deductibles are subject to the approval of the Port Authority and shall not reduce the limit of liability. The policy form must "pay on behalf of" rather than "indemnify the insured". The insurance shall be primary insurance as respects the Port Authority, its representatives, officials, and employees. Any insurance or self-insurance maintained by the Port Authority shall be excess of this insurance and shall not contribute with it. The policy shall provide pollution coverage as respects lead based materials, including but not limited to lead paint for all phases of the abatement process. The policy shall not contain any provisions or definition that would serve to eliminate third party over-claims, including exclusions of the premises owner.

(13) The Lessee shall pay to the Port Authority all fees and other amounts imposed by the Port Authority on tenants and others in connection with its review and approval of plans and specifications submitted to the Port Authority pursuant to the tenant alteration process at the Airport. In connection with any additional review for approval of any changes, modifications or revisions of the original plans and specifications which may be proposed by the Lessee for the Port Authority's approval, the Lessee agrees to pay to the Port Authority upon its demand the expenses incurred by the Port Authority in connection with same. The expenses of the Port Authority for any such additional review and approval shall be computed on the basis of direct payroll time expended in connection therewith plus 100%. Wherever in this Supplement reference is made to "direct payroll time", costs computed thereunder shall include a *pro rata* share of the cost to the Port Authority of providing employee benefits, including but not limited to, pensions, hospitalization, medical and life insurance, vacations and holidays. Such computations shall be in accordance with the Port Authority's accounting principles as consistently applied prior to the execution of this Supplement.

(14) The Lessee shall, prior to the commencement of construction and at all times during construction, submit to the Port Authority all engineering studies with respect to construction and samples of construction materials as may be required at any time and from time to time by the Port Authority.

(15) The Lessee shall procure and maintain "All Risk" Insurance covering the Construction Work during the performance thereof including material delivered to the premises

but not attached to the realty, or existing property, until the Construction Work is completed. Such insurance shall be in compliance with and subject to the applicable provisions of the Section of the Lease entitled "*Indemnity and Liability Insurance*" and shall name the Port Authority, the City of Newark, and Lessee as additional insureds and such policy shall provide that the loss shall be adjusted with the Lessee and that the proceeds shall be payable to the Lessee. Said proceeds shall be used for the repair, replacement or rebuilding of the Construction Work, and any excess shall be paid to the Port Authority.

The policies or certificates representing insurance covered by this paragraph (15) shall be delivered by the Lessee to the Port Authority at least fifteen (15) days prior to the commencement date of the Construction Work, and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereof and, also, a valid provision obligating the insurance company to furnish the Port Authority and the City of Newark thirty (30) days' advance notice of the cancellation, termination, change or modification or the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least thirty (30) days before the expiration of the insurance which such policies are to renew.

The insurance covered by paragraphs 12 and 15 shall be written by companies approved by the Port Authority. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to the form or substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement. If at any time the Port Authority so requests, a certified copy of each of the said policies shall be delivered to the Port Authority.

(16) The Lessee shall, at the time of submitting the comprehensive plan to the Port Authority as provided herein, submit to the Port Authority its forecasts of the number of people who will be working at various times during the period of construction and the term of the letting hereunder at the premises, the expected utility demands, noise profiles and such other information as the Port Authority may reasonably require. The Lessee shall continue to submit its latest forecasts and such other information as may be required as aforesaid as the Port Authority shall from time to time and at any time request.

(17) The Lessee shall execute and submit for the Port Authority's approval a TAA in the form prescribed by the Port Authority covering the Construction Work or portions thereof. The Lessee shall comply with all the terms and provisions of the approved TAA. In the event of any inconsistency between the terms of any TAA and the terms of this Supplement, the terms of this Supplement shall prevail and control.

(18) (i) Without limiting any of the terms and conditions of this Supplement, the Lessee understands and agrees that it shall put into effect prior to the commencement of any Construction Work an affirmative action program and Minority Business Enterprise (MBE) program and Women-owned Business Enterprise (WBE) program in accordance with the provisions of Schedule E, attached hereto and hereby made a part hereof. The provisions of said Schedule E shall be applicable to the Lessee's contractor or contractors and subcontractors at any tier of construction as well as the Lessee and the Lessee shall include the provisions of said Schedule E within all of its construction contracts so as to make said provisions and undertakings the direct obligation of the construction contractor or contractors

and subcontractors at any tier of construction. The Lessee shall and shall require its said contractor or contractors and subcontractors to furnish to the Port Authority such data, including but not limited to, compliance reports relating to the operation and implementation of the affirmative action, MBE and WBE programs called for hereunder as the Port Authority may request at any time and from time to time regarding the affirmative action, MBE and WBE programs of the Lessee and its contractor or contractors and subcontractors at any tier of construction, and the Lessee shall and shall also require that its contractor or contractors and subcontractors at any tier of construction make and put into effect such modifications and additions thereto as may be directed by the Port Authority pursuant to the provisions hereof and said Schedule E to effectuate the goals of the affirmative action, MBE and WBE programs.

(ii) In addition to and without limiting any terms and provisions of this Supplement, the Lessee shall provide in its contracts and all subcontracts covering the Construction Work or any portion thereof, that:

(aa) The contractor shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and shall undertake or continue existing programs of affirmative action to ensure that minority group persons are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeships and on-the-job training;

(bb) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

(cc) The contractor will state, in all solicitations or advertisements for employees placed by or on behalf of the contractor in the performance of the contract, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, age, disability or marital status;

(dd) The contractor will include the provisions of subparagraphs (aa) through (cc) of this subparagraph in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract; and

(ee) "Contractor" as used herein shall include each contractor and subcontractor at any tier of construction.

(19) Prior to the commencement of any of the Construction Work, the Lessee shall coordinate the Construction Work with the Location of Subsurface Utilities toll free information service (1-800-272-1000) and ascertain the location of underground utilities, if any,

at the premises. The Lessee shall provide the Port Authority with written evidence of such coordination.

(20) Nothing contained in this Supplement shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other person engaged by the Lessee 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. 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 Lessee 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.

(e) The Lessee may wish to commence construction of portions of the Construction Work prior to the approval by the Port Authority of the Lessee's plans and specifications therefor (or the applicable portion thereof, as the case may be) pursuant to paragraph (b) hereof and if it does it shall submit a written request to the Port Authority setting forth the work it proposes to then do. The Port Authority shall have full and complete discretion as to whether or not to permit the Lessee to proceed with said work. If the Port Authority has no objection to the Lessee's proceeding with the work, it shall do so by writing a letter to the Lessee to such effect (hereinafter "Letter"). If the Lessee performs the work covered by said Letter it agrees all such work shall be performed subject to and in accordance with all of the provisions of the approval Letter and subject to and in accordance with the following terms and conditions:

(1) The performance by the Lessee of the work covered by any request as aforesaid will be at its sole risk and if for any reason the plans and specifications for the Construction Work or any part thereof are not approved by the Port Authority or if the approval thereof calls for modifications or changes in the work undertaken by the Lessee under any approval granted by the Port Authority pursuant to this paragraph (e), the Lessee will, as directed by the Port Authority, at the Lessee's sole cost and expense, either restore the area affected to the condition existing prior to the commencement of any such work or make such modifications and changes in any such work as may be required by the Port Authority.

(2) Nothing contained in any approval hereunder shall constitute a determination or indication by the Port Authority that the Lessee has complied with the applicable governmental laws, ordinances, enactments, resolutions, rules and orders, including but not limited to, those of the City of Newark which may pertain to the work to be performed.

(3) The approved work will be performed in accordance with and subject to the terms, indemnities and provisions of the Agreement covering the Construction Work and with the terms and conditions of any TAA which the Port Authority may request the Lessee to submit even though such TAA may not have, at the time of the approval under this paragraph (e), been approved by the Port Authority. In the event of any inconsistency between the terms of any TAA and the terms of this Agreement, the terms of this Agreement shall prevail and control.

(4) No work under any such approval Letter shall affect or limit the obligations of the Lessee under all prior approvals with respect to its construction of the Construction Work.

(5) The Lessee shall comply with all requirements, stipulations and provisions as may be set forth in the aforesaid approval Letter.

(6) In the event that the Lessee shall at any time during the construction of any portion of the Construction Work under the approval granted by the Port Authority pursuant to this paragraph (e) fail, in the opinion of the General Manager of New Jersey Airports, to comply with all of the provisions of this Agreement with respect to the Construction Work, the TAA or the approval Letter covering the same or be, in the opinion of the said General Manager of New Jersey Airports, in breach of any of the provisions of this Agreement, the TAA or the approval Letter covering the same, the Port Authority shall have the right, acting through said General Manager of New Jersey Airports, to cause the Lessee to cease all or such part of the Construction Work as is being performed in violation of this Agreement, the TAA or the approval Letter. Upon such written direction from the General Manager specifying said nonconformance or breach, the Lessee shall promptly cease construction of the Construction Work specified. The Lessee shall thereupon submit to the Port Authority for its written approval the Lessee's proposal for making modifications, corrections or changes in or to the Construction Work that has been or is to be performed so that the same will comply with the provisions of this Agreement, the TAA and the approval Letter covering the Construction Work. The Lessee shall not commence construction of the portion of the Construction Work that has been halted until such written approval has been received.

(7) It is hereby expressly understood and agreed that the field engineer covered by paragraph (f) below has any authority to approve any plans and specifications of the Lessee with respect to the Construction Work, to approve the construction by the Lessee of any portion of the Construction Work or to agree to any variation by the Lessee from compliance with the terms of this Agreement, or the TAA or the approval letter with respect to the Construction Work. Notwithstanding the foregoing, should the field engineer or the General Manager of New Jersey Airports give any directions or approvals with respect to the Lessee' s performance of any portion of the Construction Work which are contrary to the provisions of this Agreement, the TAA or the approval letter, said directions or approvals shall not affect the obligations of the Lessee as set forth herein nor release or relieve the Lessee from the strict compliance therewith. It is hereby further understood and agreed that the Port Authority has no duty or obligation of any kind whatsoever to inspect or police the performance of the Construction Work by the Lessee and the rights granted to the Port Authority hereunder shall not create or be deemed to create such a duty or obligation. Accordingly, the fact that the General Manager of New Jersey Airports has not exercised the Port Authority's right to require the Lessee to cease its construction of all or any part of the Construction Work shall not be or be deemed to be an agreement or acknowledgment on the part of the Port Authority that the Lessee has in fact performed such portion of the Construction Work in accordance with the terms of this Agreement, the TAA or the approval Letter nor shall such fact be or be deemed to be a waiver by the Port Authority from the requirement of strict compliance by the Lessee with the provisions of this Agreement, the TAA and the approval Letter with respect to the Construction Work.

(8) Without limiting the discretion of the Port Authority hereunder, the Port Authority hereby specifically advises the Lessee that even if the Port Authority hereafter in the exercise of its discretion wishes to grant approvals under this paragraph (e), it may be unable to do so, so as to permit the Lessee to continue work without interruption following its completion of the work covered by any prior approval hereunder. The Lessee hereby acknowledges that if it commences work pursuant to this paragraph (d), it shall do so with full knowledge that there may not be continuity by it in the performance of its Construction Work under the procedures of this paragraph (e).

(9) No prior approval of any work shall create or be deemed to create any obligation on the part of the Port Authority to permit subsequent work to be performed prior to the approval by the Port Authority of the Lessee's complete plans and specifications therefor or additional portions thereof.

(f) The Lessee will give the Port Authority fifteen (15) days' notice prior to the commencement of construction. The Port Authority will assign a field engineer to the Construction Work for such periods of time as the Port Authority, in its sole discretion, shall deem desirable from time to time up to and including five (5) days per week. The Lessee shall pay to the Port Authority for the services of said engineer at the daily rate then in effect, *e.g.*, $942 during calendar year 2011, $982 during calendar year 2012 and $1,023 during calendar year 2012. Nothing herein shall prevent the Lessee from requesting the Port Authority to assign said engineer more frequently than as set forth herein or the Port Authority from complying with such request, but the Port Authority shall not be obligated to do so. Nothing contained herein shall affect any of the provisions of paragraph (i) hereof or the rights of the Port Authority thereunder.

(g) (1) The Construction Work shall be constructed 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, arising out of or resulting from the operation, use or maintenance of the premises by the Lessee and from the operations of the Lessee under this Agreement. Accordingly, and in addition to all other obligations imposed on the Lessee under the Lease and without diminishing, limiting, modifying or affecting any of the same, the Lessee shall be obligated to construct as part of the Construction Work hereunder such structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the foregoing and each of the foregoing shall be and become a part of the Construction Work hereunder.

(2) Notwithstanding the provisions of subparagraph (g)(1), above, and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time during the lease term to require the Lessee 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 to be located on the premises as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of subparagraph (1) hereof. 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 Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. All other provisions of this Section with respect to the Construction Work shall apply and pertain with like effect to any work which the

Lessee is obligated to perform pursuant to this paragraph (g) and upon completion of each portion of such work it shall be and become a part of the premises. The obligations assumed by the Lessee under this paragraph (g) are a special inducement and consideration to the Port Authority in granting this Agreement to the Lessee.

(h) Title to the Construction Work shall pass to the City of Newark as the same or any part thereof is erected, constructed or installed and the same shall be and become a part of the premises hereunder.

(i) (1) When all Construction Work is substantially completed and ready for use, the Lessee shall advise the Port Authority to such effect and shall deliver to the Port Authority a certificate executed by an authorized officer of the Lessee and the Lessee's architect registered in the State of New Jersey or the Lessee's engineer registered in the State of New Jersey certifying that the 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. Thereafter the Construction Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's architect or engineer, a certificate to such effect shall be delivered to the Lessee by the Port Authority, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. Except as provided in subparagraph (2) below, the Lessee shall not use or permit the use of the Construction Work for the purposes set forth in the Lease until such certificate is received from the Port Authority, and the Lessee shall not use or permit the use of the Construction Work or any portion thereof even if such certificate is received if the Port Authority states in any such certificate that the same cannot be used until other specified portions are completed.

(2) The date specified in the Port Authority certificate for the Construction Work referred to in subparagraph (i)(1) of this Section covering the Construction Work shall be referred to in this Supplement as the "*Completion Date*".

3. Amendment to Section 4 of the Lease

Effective for the period from and after the Effective Date, Section 4 of the Lease, entitled "*Rentals and Fees*" shall be amended as follows.

(a) Subdivision I. Ground Rental.

(i) Subparagraph (a)(4) of said subdivision I is hereby amended so that the date appearing on the 2d line thereof as "August 31, 2014" shall be deemed amended to read "December 31, 2011".

(ii) The following new subparagraph (a)(5) is hereby inserted to read as follows:

"(5) For the portion of the term of the Lease commencing on January 1, 2012 and continuing up to and including December 31, 2012, a Ground Rental for the

premises at an annual rate consisting of two factors, one a constant factor in the amount of Seven Hundred Seventy Thousand Seven Hundred Forty-five Dollars and Ninety-six Cents ($770,745.96) and the other the Airport Services Factor which shall consist of the Airport Services Factor in the amount set forth in subparagraph (1) , above, as the same shall have been adjusted in accordance with paragraph (b) hereof for each calendar year preceding the commencement date of the portion of the term specified in this subparagraph (5), and which shall be the Airport Services Factor in effect on the date of the commencement of the Ground Rental provided for in this subparagraph (5), and which shall be subject to further adjustment as provided in paragraph (b) hereof. The constant factor shall increase annually on each January 1 during the term of the letting, commencing January 1, 2013, by four percent (4%). Accordingly, by way of example only, the constant factor as of January 1, 2013 shall be Eight Hundred One Thousand Five Hundred Seventy-five Dollars and Eighty Cents ($801,575.80)."

(iii) Subparagraph (b) of said subdivision I is hereby amended so as to read in its entirety as follows:

"(b) The Airport Services Factor set forth in subparagraph (1) of paragraph (a), above, is the final Airport Services Factor which would be finally determined for the calendar year 1985. For the calendar year 1986 and for each and every calendar year thereafter the Airport Services Factor shall be adjusted in accordance with the provisions of Schedule A attached hereto and hereby made a part hereof. For the portion of the term specified in subparagraph (a)(5), above, the constant factor of $770,745.96 shall remain unchanged."

(b) Subdivision III. Percentage Rental and Gallonage Fees

(i) Paragraph (a)(1)(vii) shall be restated as follows:

"(vii) For the portion of the term commencing on January 1, 2010 up to and including the August 31, 2024, a Percentage Rental in the amount of Fifteen Percent (15%) of the Lessee's gross receipts arising during each annual period during the term hereof."

(ii) Paragraph (d), entitled "Gallonage Fees", shall be amended by modifying the table to re-state items "11" and "12" in the table and to add items "13" through "16" to the table, as follows:

	Aviation Fuel (per gallon)	Aircraft Lubricant (per gallon)
11) Commencing on January 1, 2011 up to and including December 31, 2011	$.18 per gallon	$.22 per gallon
12) Commencing on January 1, 2012 up to and including December 31, 2013	$.21 per gallon	$.25 per gallon

13) Commencing on January 1, 2014 up to and including December 31, 2016	$.22 per gallon	$.26 per gallon
14) Commencing on January 1, 2017 up to and including December 31, 2019	$.23 per gallon	$.27 per gallon
15) Commencing on January 1, 2020 up to and including December 31, 2022	$.24 per gallon	$.28 per gallon
16) Commencing on January 1, 2023 up to and including August 31, 2024	$.25 per gallon	$.29 per gallon

(c) A new Subdivision IV entitled "IV Hangar Rental" shall be added, effective as of June 1, 2011, which shall read in its entirety as follows:

"IV. Hangar Rental

(a) The Lessee agrees to pay to the Port Authority Hangar Rentals for the premises as follows. For the portion of the term of the Lease commencing on September 1, 2014 and continuing up to and including August 31, 2015, a Hangar Rental for the premises at an annual rate in the amount of Six Hundred Twenty Five Thousand Eight Hundred Ninety-eight Dollars and Four Cents ($625,898.04). The Hangar Rental shall increase annually on each September 1 during the balance of the term of the letting, commencing September 1, 2015, by four percent (4%). Accordingly, by way of example only, the constant factor as of September 1, 2015 shall be Six Hundred Fifty Thousand Nine Hundred Thirty-three Dollars and Ninety Six Cents ($650,933.96).

(b) The Hangar Rental for each portion of the term as set forth in pargraph (a), above, shall be payable by the Lessee in advance in equal monthly installments on the first day of each said portion of the term and on the first day of each and every calendar month thereafter during said portion of the term. In the event any said portion of the term shall commence on a day other than the first day of a month, the monthly installment due on said day shall be the monthly installment pro-rated on a daily basis using the actual number of days in said month. In the event any said portion of the term shall expire on a day other than the last day of a month, the monthly installment for said month shall be the monthly installment pro-rated on a daily basis using the actual number or days in the said month. The commencement date of the Hangar Rental for each portion of the term as set forth in paragraph (a), above, as applicable, are herein each referred to as "the Hangar Rental commencement date" with respect to the applicable portion of the term hereunder.

(c) If any installment of Hangar Rental payable hereunder shall be for less than a full calendar month, then the Hangar Rental payment for the portion of the month for which said

payment is due shall be the monthly installment pro-rated on a daily basis using the actual number of days in that said month."

4. Amendment to Section 17 of the Lease

Section 17 of the Lease, entitled "*Indemnity and Liability Insurance*" shall be amended by amending paragraph (b) thereof to (a) change references from "comprehensive general liability" insurance and "comprehensive automobile liability" insurance to "commercial general liability" insurance and "commercial automobile liability" insurance and (2) to change the minimum coverage limit for commercial general liability insurance from $100,000,000 to $300,000,000.

5. Amendment to Section 57 of the Lease

Section 57 of the Lease, entitled "*Additional Right of Termination of the Port Authority*", shall be amended by re-stating paragraph (b) to read as follows:

"(b) In the event the Port Authority exercises its right hereunder to terminate this Agreement at any time after the effectiveness of Supplemental Agreement No. 6 to this Agreement, dated as of June 1 , 2011 ("*Supplement No. 6*"), and this Agreement is in fact terminated, the Port Authority shall reimburse the Lessee for its Unamortized Capital Investment; provided, however, that (x) in no event shall, for the purposes of the foregoing payment, the Lessee's capital investment upon which said payment is to be based exceed the sum of Eleven Million Dollars ($11,000,000) and (ii) the meaning of Unamortized Capital Investment as set forth in paragraph (q) of Section 49 hereof shall refer only to the capital investment in the Construction Work which is the subject of Paragraph 2 of Supplement No. 6 and the allowance will be computed on a straight-line basis from the Completion Date (of the Construction Work which is the subject of Paragraph 2 of Supplement No. 6) or January 1, 2014, whichever is earlier, to the expiration date of this Agreement, as extended by Supplement No. 6."

6. Amendment to Section 59 of the Lease

Section 59 of the Lease, entitled "*Security Deposit or Letter of Credit*", as amended in Supplement No. 5 to the Lease, dated as of December 31, 2005, shall be deemed further amended as of the Effective Date so as to change the amount of "Three Hundred Ten Thousand Dollars and No Cents ($310,000.00)" to "Five Hundred Eighty Thousand Dollars and No Cents ($580,000.00)".

7. OFAC Compliance

(a) Lessee hereby represents and warrants to the Port Authority that Lessee is not, and shall not become, a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Asset Control ("OFAC") of the United States Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including,

but not limited to, the September 24, 2001 Executive Order on Terrorist Financing Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit or Support Terrorism), or other governmental action and is not engaging, and shall not engage, in any dealings or transactions or be otherwise associated with such persons or entities. Lessee acknowledges that the Port Authority is entering into this Supplement in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing the Port Authority to enter into and execute this Supplement. In the event of any breach of any of the foregoing representations and warranties by Lessee, the Port Authority shall have the right, in addition to any and all other remedies provided under the Lease or at law or in equity, to immediately terminate the Lease upon written notice to Lessee. Lessee further acknowledges that there shall be no cure for such a breach. In the event of any such termination by the Port Authority, Lessee shall, immediately on receipt of the Port Authority's termination notice, cease all use of and operations permitted under the Lease and surrender possession of the leased premises to the Port Authority without the Port Authority being required to resort to any other legal process. Termination on the afore-described basis shall be deemed a termination for cause.

(b) The Lessee shall indemnify and hold harmless the Port Authority and its Commissioners, officers, employees, agents and representatives from and against any and all claims, damages, losses, risks, liabilities and expenses (including, without limitation, attorney's fees and disbursements) arising out of, relating to, or in connection with the Lessee's breach of any of its representations and warranties made under this Paragraph. Upon the request of the Port Authority, the Lessee 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.

(c) The provisions of this Paragraph shall survive the expiration or earlier termination of the term of the Lease.

8. Waiver of Trial by Jury. The Lessee and the Port Authority each waive their right to trial by jury in any summary proceeding or action that may hereafter be instituted by either party against the other in respect of the leased premises and/or in any action that may be brought by the Port Authority to recover rentals, fees, damages, or other sums due and owing under the Lease. The Lessee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or in any action for non-payment of rents, fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

9. Holding Over. In the event that the Lessee shall hold over and continue to use the leased premises after the expiration or earlier termination of this Agreement, such holding over shall create a month-to-month extension of this Agreement, which extension shall be terminable on thirty (30) days' notice.

10. Governing Law. The Lease and any claim, dispute or controversy arising out of, under or related to the Lease shall be governed by, interpreted and construed in accordance with the laws of the State of New Jersey, without regard to choice of law principles.

11. No Amendment. Except as hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Lease shall be and remain in full force and effect.

12. No Broker. Each party represents and warrants that no broker has been concerned in the negotiation of this Supplement and that there is no 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 all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services provided to or on behalf of the indemnifying party in connection with the negotiation and execution of this Supplement.

13. No Personal Liability. No Commissioner, director, officer, agent or employee of either party to this Supplement shall be charged personally or held contractually liable by or to the other party under any term or provision of this Supplement, or because of its or their execution or attempted execution or because of any breach or attempted or alleged reach thereof. The Lessee agrees that no representations or warranties with respect to this Supplement shall be binding upon the Port Authority unless expressed in writing herein.

14. Port Authority Consents and Approvals. Wherever in this Supplement the Port Authority's consent or approval is required, the Port Authority agrees that it will not act in an arbitrary or capricious manner.

15. Entire Agreement. This Supplement, together with the Lease which it amends constitutes the entire agreement between the Port Authority and the Lessee 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 Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Lease or this Supplement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

Deputy Secretary

THE PORT AUTHORITY OF NEW YORK
NEW JERSEY

By: _____

Name David Kagan

(Title) ~~Assistant Director~~ Business, Properties & Airport Development

(Seal)

ATTEST:

Secretary

JOSEPH I. GOLDSTEIN

SIGNATURE FLIGHT SUPPORT CORPORATION, successor by merger with Signature Flight Support-New Jersey, Inc. (successor by merger with Si gnature Flight Support Newark, Inc., formerly known as Butler Aviation-Newark, Inc.)

By: _____

Name S. MIchael Scheeringa

(Title) President

(Corporate Seal)

APPROVED:
FORM | TERMS

SECURITY DRAWING EXEMPT UNDER EX. (4) OF THE CODE

EXHIBIT B

PERFORMANCE AND PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS that we, the undersigned15 Contractor and surety company (or companies), as principal and surety (or sureties), respectively,

Contractor **Surety**

_____

are hereby held and firmly bound unto The Port Authority of New York and New Jersey (herein called the "Authority") in the penal sum of _____ Dollars

and _____ Cents ($ _____.), for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, representatives, executors, administrators, successors and assigns. Each surety, however, if there is more than one, shall be jointly and severally liable for said penal sum.

Signed this _____ day of _____ 20

The condition of the above obligation is that

WHEREAS, the above named principal has entered into a Contract in writing with the Authority, a copy of which is hereby made a part of this bond as though herein set forth in full and which is designated Contract , and

_____

15 Insert names of the Contractor and surety company (or companies) in the appropriate columns. If space is insufficient add rider.

If the Contractor is a corporation , give the state of incorporation, using also the phrase "a corporation organized under the laws of_____".

If the Contractor is an individual using a trade name, give individual name, using also the phrase "an individual doing business under the trade name of _____".

WHEREAS, the Authority has required this bond for the faithful performance of all obligations imposed by said Contract and also for the payment of all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said Contract;

NOW, if the said principal shall well and faithfully do and perform the things agreed by him to be done and performed according/ to the terms and true intent and meaning of said Contract and if all lawful claims of subcontractors, materialmen and workmen arising out of the performance of said Contract are paid, then this obligation shall be void, otherwise the same shall remain in full force and effect; it being expressly understood and agreed that, provided the sureties shall comply with the provisions hereof, the aggregate liability of all sureties for any and all claims hereunder shall in no event exceed the penal amount of this obligation as hereinbefore stated.

This undertaking is for the benefit the Authority and all subcontractors, materialmen and workmen having lawful claims arising out of the performance of said Contract, and all such subcontractors, materialmen and workmen (as well as the Authority itself) shall have a direct right of action upon this bond; but the rights and equities of such subcontractors, materialmen and workmen shall be subject and subordinate to those of the Authority.

The sureties, for value received, hereby stipulate and agree that the obligations of said sureties and their bond shall be in no way impaired or affected by any extensions of time, modification, omission, addition or change in or to the said Contract or the construction to be performed thereunder, or by any supervision or inspection or omission to supervise or inspect the construction, or by any payment thereunder before the time required therein, or by any waiver of any provision or condition thereof (whether precedent or subsequent), or by any assignment, subletting or other transfer thereof or of any part thereof or of any construction to be performed or any moneys due or to become due thereunder; and said sureties do hereby waive notice of any and all of such extensions, modifications, omissions, additions, changes, payments, waivers, assignments, subcontracts and transfers, and hereby expressly stipulate and agree that any and all things done and omitted to be done by and in relation to assignees, subcontractors and other transferees shall have the same effect as to said sureties as though done by or in relation to said principal.

The sureties shall give the General Counsel of the Authority the following notices:

A. **Written notice of an intent to pay any claim of a subcontractor, materialman or workman hereunder;**

B. **Written notice within five days of the institution of an action by a subcontractor, materialman or workman hereunder.**

The sureties shall not pay the claim of any subcontractor, materialman or workman hereunder until the expiration of thirty days after receipt by said General Counsel of notice under either subparagraph A or B above, describing the claim to be paid.

IN WITNESS WHEREOF, the principal and the sureties have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

_____

Principal
(Seal) By15_____

_____

Surety By 16 _____

APPROVED AS TO ACCEPTABILITY OF SURETIES: _____
Credit Manager _____20

15 If a bond is signed by an officer or agent, give title; if signed by a corporation, affix corporate seal.

16 Add signatures of additional sureties, if any.

ACKNOWLEDGMENT OF PRINCIPAL, IF A CORPORATION

State of _____

_____ SS:

County of _____

On this _____. day of _____, 20, before me personally came and appeared _____, to me known, who being by me duly sworn, did depose and say that he resides at _____; that he is the _____. of _____ the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the directors of said corporation, and that he signed his name thereto by like order.

(Seal) _____.

ACKNOWLEDGMENT OF PRINCIPAL, IF A PARTNERSHIP

State of _____

_____ SS:

County of _____

On this _____. day of _____, 20, before me

personally came and appeared _____, to me known, and known to me to be one of the members of the firm of _____ described in and who executed the foregoing instrument and he acknowledged to me that he executed the same as and for the act and deed of said firm.

(Seal) _____.

ACKNOWLEDGMENT OF PRINCIPAL, IF AN INDIVIDUAL

State of _____

_____ SS:

County of _____

On this _____ day of _____, 20 , before me personally came and appeared _____, to me known and known to me to be the person described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.

(Seal) _____

AFFIX ACKNOWLEDGMENT AND JUSTIFICATION OF SURETY

15. PERFORMANCE AND PAYMENT BOND

If the Authority shall in its sole discretion so elect at the time of accepting the Contractor's Proposal, the Contractor shall require the general contractor(s) to which the Contractor subcontracts the construction portion of the Contract to furnish a bond for the faithful performance of all construction obligations imposed upon such general contractor(s) pursuant to such subcontract(s). Such bond, if so required, shall be in such form and sum as are required

by the Authority (not to exceed that portion of the Contract constituting construction) and such bond shall be signed by one or more sureties[13] satisfactory to the Authority.

At any time after the opening of Proposals, the Authority may give notice to one or more proposers to advise the Authority as to the names of their proposed sureties. Within forty-eight hours thereafter each proposer so notified shall so advise the Authority. The giving of such notice to a proposer shall not be construed as an acceptance of his Proposal, and omission to give such notice shall not be construed as an election by the Authority not to require a bond.

If the Authority elects to require the foregoing bond from the general contractor(s), the Contractor shall deliver such bond to the Authority within fifteen (15) business days after the execution and delivery by the general contractor(s) of the subcontract(s) with the Contractor, but in no event later than thirty (30) days following receipt by the Contractor of the acceptance of his Proposal, and Proposal, and the sureties thereon shall be as proposed by him provided, that if the Authority has theretofore given notice to him that his proposed sureties or any of them are not satisfactory, the bond shall be executed by other sureties satisfactory to the Authority.

The Authority shall give notice to the Contractor within ten (10) days after receipt of the foregoing bond as to whether or not such bond is satisfactory.

In the event of a default by the Contractor in his obligation to furnish a satisfactory bond on behalf of his general contractor within the time period referenced above, such default shall entitle the Authority in its discretion to terminate this Contract at any time within forty-five (45) days after the acceptance of the Proposal, without any liability on the part of the Authority. Inasmuch as the damages to the Authority resulting from a termination by it upon the failure of the Contractor to furnish a satisfactory bond will include items whose accurate amount will be difficult or impossible to compute, such damages shall be liquidated in the sum of the following amounts:

A. The excess, if any, of the Estimated Total Contract Price in the Proposal finally accepted over that in the Proposal of the Contractor; and

B. The expense of such new advertisement of the Contract, if any, as may be deemed necessary by the Authority; and

C. The sum of $500 for each day after the receipt by the Contractor of the acceptance of his Proposal that the performance of the Contract is not commenced by reason of the failure of the Contractor to furnish the required bond.

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13 Sureties must be corporations (commonly known as "surety companies"), authorized to do business as sureties in the state(s) in which the construction site is located, whose names appear on the current list of the Treasury Department of the United States in effect at the time of submission of the Performance and Payment Bond to the Authority as acceptable as sureties to the Treasury Department. In addition, the aggregate underwriting limitations on any one risk as se forth in the aforementioned list of the Treasury Department of the sureties shall equal or exceed the penal sum of the Performance and Payment Bond.

In the recovery of the damages above specified, the Authority may proceed against the sum represented by the certified check deposited with it or against the Bid Bond and take such other action, as it may deem best in the public interest.

If the Contractor furnishes a bond in accordance with the requirements of the Authority under this numbered clause, the Authority shall reimburse the Contractor for the net amount actually paid by him to the surety or sureties as the premium on such bond. The Contractor shall deliver to the Engineer receipts from the surety or sureties evidencing such payment and the amount thereof. Within fifteen days after receipt of such evidence satisfactory to the Engineer, the Authority shall pay to the Contractor by check the amount provided in this numbered clause.

If at any time the Authority shall be or become dissatisfied with any surety or sureties then upon any bond furnished in accordance with the requirements of the Authority, or if for any other reason such bond shall cease to be adequate security to the Authority, the Contractor shall, within fifteen (15) business days after notice from the Authority so to do, substitute a new bond in such form and sum and signed by such other sureties as may be necessary in the opinion of the Authority to constitute adequate security.

SCHEDULE E

AFFIRMATIVE ACTION-EQUAL OPPORTUNITY---MINORITY BUSINESS ENTERPRISES ---WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

PART I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E of Port Authority Agreement No. ANA-273 (herein called the "Lease") with SIGNATURE FLIGHT SUPPORT CORPORATION (herein and in the Lease called the "Lessee"). The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee as well as each bidder, contractor and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as the "Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

(1) Minority participation

Minority, except laborers	30%
Minority, laborers	40%

(2) Female participation

Female, except laborers	6.9%

Female, laborers 6.9%

These goals are applicable to all the Contractor's construction work performed in and for the Premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Port Authority's Aviation Department and Office of Business and Job Opportunity within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941:

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the Premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each phase of the construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the Premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the Premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this

shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO Policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decision including specific review of these items with on-terminal supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the Premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the Premises and in areas of a Contractor's workforce.

(11) Tests and other selecting requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the Contractors' EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal opportunity and to take affirmative action for all minority groups, both male and female, and all women, both

minority and non-minority. Consequently, the Contractor may be in violation hereof if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation hereof if a specific minority group of women is underutilized).

(k) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.

(l) The Contractor shall not enter into any subcontract with any Person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder shall implement specific affirmative actions steps, at least as extensive as those standards prescribed in paragraph (h) hereof so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of these provisions, the Lessee shall proceed accordingly.

(o) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g. mechanical apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work is performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

(p) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(q) Without limiting any other obligation, term or provision under the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II. MINORITY BUSINESS ENTERPRISES AND WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require that any Contractor utilized by the Lessee to perform contract work ("the work") on the premises including without limitation construction work to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" "(MBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, "Women-owned Business Enterprise" "(WBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(a) Dividing the work to be subcontracted into smaller portions where feasible.

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

(c) Making plans and specifications for prospective construction work available to MBEs and WBEs in sufficient time for review.

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

(e) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee and Contractor will meet their obligations hereunder.

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis, preferably bi-weekly, and that retainage is paid to MBEs and WBEs when they have completed their work.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

(h) Requiring each contractor to submit to the Lessee with each payment request evidence that all MBE and WBE Contractors have been paid in accordance with their contract.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing by the Director in charge of the Office of Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility of such firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e. suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

For the Port Authority

Initialed:

For the Lessee

FINAL

For the Port Authority

STATE OF New York)
)ss.:
COUNTY OF New York)

On the 6th day of July in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notary seal and stamp)

MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 2012

For Signature Flight Support Corporation

STATE OF Florida)
)ss.:
COUNTY OF Orange)

On the 9th day of June in the year 2011, before me, the undersigned, a Notary Public in and for said state, personally appeared S. Michael Scheeringa

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(notary seal and stamp)

THERESA E. KASSIM
Commission DD 769981
Expires March 18, 2012
Bonded Thru Troy Fain Insurance 800-385-7019