Torres Rojas, Genara FOI #13818

From: prblawyers@aol.com
Sent: Wednesday, March 06, 2013 10:51 AM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: JOSEPH
Last Name: VITULLI
Company: PLISKIN, RUBANO ET AL.
Mailing Address 1: 137-11 NORTHERN BLVD.
Mailing Address 2:
City: FLUSHING
State: NY
Zip Code: 11354
Email Address: prblawyers@aol.com
Phone: 718-539-2100
Required copies of the records: Yes

List of specific record(s):
All lease agreements and any amendements or extensions thereto between the Port Authority of New York and New Jersey, as landlord, in connection with the building 141 located at JFK Airport, Jamaica, NY 11430 for the last 5 years

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

April 15, 2013

Joseph Vitulli, Esq.
Pliskin, Rubano Et Al
137-11 Northern Blvd.
Flushing, NY 11354

Re: Freedom of Information Reference No. 13818

Dear Mr. Vitulli:

This is a response to your March 6, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of all lease agreements and amendments or extensions thereto between the Port Authority, as landlord, in connection with the building 141 located at John F. Kennedy International Airport, Jamaica, NY 11430 for the last 5 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/13818-LPA.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), (2.a.) 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

225 Park Avenue South, 17th Floor
New York, NY 10003
T: 212 435 3642
F: 212 435 7555

: For Port Authority Use Only :
:
Permit No.: AYD-806 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

JOHN F. KENNEDY INTERNATIONAL AIRPORT
SPACE PERMIT

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the hereinafter described privilege at John F. Kennedy International Airport, in the Borough of Queens, County of Queens and City and State of New York (herein called the "Airport"), in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee or fees hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** THE NORTHEASTERN BUS REBUILDERS, INC., a New York corporation
2. **PERMITTEE'S ADDRESS:** 6 Connor Lane
   Deer Park, New York 11729
3. **PERMITTEE'S REPRESENTATIVE:** Brian Kaminsky
4. **SPACE:** As set forth in Special Endorsement No. 1 hereof.
5. **PURPOSES:** As set forth in Special Endorsement No. 1 hereof.
6. **FEES:** As set forth in Special Endorsement No. 3 hereof.
7. **EFFECTIVE DATE:** October 1, 2008
8. **EXPIRATION DATE:** January 31, 2013, unless sooner revoked or terminated as herein provided.
9. **ENDORSEMENTS:** 3.1,6.1,6.4,11.1, 21.1, 23.1, Special Endorsements, and Exhibit A

Dated: As of September 30, 2008

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan
Assistant Director
Business. Properties & Airport Development
(Please Print Clearly)

(Title) _____

NORTHEASTERN BUS REBUILDERS, INC.
Permittee

By _____

Name Brian Kaminsky
(Please Print Clearly)

(Title) President

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:

JJL/NEI

TERMS AND CONDITIONS

1. Certain Definitions:

(a) **"Airport"** shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property and premises as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) **"City"** shall mean The City of New York, a municipal corporation of the State of New York.

(c) **"City Lease"** shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) **"Effective Date"** shall mean the date designated as the "Effective Date" in Item 7 on the cover page of this Permit.

(e) **"Executive Director"** shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(f) **"Expiration Date"** shall mean the date designated as the "Expiration Date" in Item 8 on the cover page of this Permit.

(g) **"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 Manager by this Permit; until further notice from the Port Authority to the Permittee it shall mean the General Manager or the Acting General Manager of John F. Kennedy International Airport for the time being, or his duly designated representative or representatives.

(h) **"Hazardous Substance"** shall mean any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and substances declared to be hazardous or toxic or the removal, containment or restriction 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 hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

(i) **"Permittee's Representative"** shall mean the individual named in Item 3 on the cover page of this Permit or such other individual as the Permittee may designate by notice in accordance with the provisions of Section 21 below, entitled "Notices".

2. Effectiveness:

(a) The permission granted by this Permit shall take effect upon the Effective Date. Notwithstanding any other term or condition hereof, it may at any time be revoked by the Port Authority without cause upon thirty (30) days' prior notice, and terminated by the Permittee without cause upon thirty (30) days' prior notice; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee fails to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including without limitation the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, 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), repairing and altering the space and putting the space in order (such as but not limited to cleaning and decorating the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

(b) No exercise by the Port Authority of any right of revocation granted to it in this Section shall be deemed to be a waiver of any other rights of revocation contained in this Section or elsewhere in this Permit or a waiver of any other rights or remedies which may be available to the Port Authority under this Permit or otherwise.

(c) The permission hereby granted shall in any event terminate with the expiration or termination of the City Lease.

3. Use of Space by Permittee:

(a) The Space shall be used, pursuant to the permission hereby granted,

(1) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees,

(2) if the Permittee is an unincorporated association, or a "Massachusetts" or business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees,

(3) if the Permittee is a partnership, by the Permittee acting only through the medium of its general partners and employees, or

(4) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(5) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees;

and the Permittee shall not, without the written approval of the Port Authority, use the Space through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or the permission granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority. In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

(b) The Permittee's Representative specified in Item 3 of the cover page of this Permit (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any act or things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension hereof and to give and receive notices hereunder.

(c) This Permit shall not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever.

(d) The Permittee hereby agrees that it will not carry on any business or operation in the Space or at the Airport other than as specifically provided herein without receiving the prior written consent of the Port Authority, which consent, if given, will be in the form of a Supplement hereto or a separate agreement with the Port Authority, which consent will specify whether the provisions regarding fees contained herein or any other provisions regarding fees shall apply thereto.

4. Condition of Space:

(a) The Permittee hereby acknowledges that prior to the execution of this Permit it has thoroughly examined and inspected the Space and has found the Space in good order and repair and has determined the Space to be suitable for the Permittee's operations hereunder and acknowledges and agrees that it has not relied on any representations or statements of the Port Authority, its Commissioners, officers, employees or agents as to the condition or suitability thereof for use by the Permittee for the purposes contemplated herein. The Permittee agrees to and shall take the Space in its "as is" condition and the Port Authority shall have no obligation hereunder for preparation of the Space for the Permittee's use. The Permittee agrees that no portion of the Space will be used initially or at any time during the effective period of the permission granted hereunder which is in a condition unsafe or improper for the purposes contemplated herein so that there is possibility of injury or damage to life or property and the Permittee further agrees that before any use it will immediately correct any such unsafe or improper condition.

(b) Except to the extent required for the performance of any of the obligations of the Permittee under this Permit, nothing contained in this Permit shall grant to the Permittee any rights whatsoever in the air space above the height of the structures located on the Space as of the Effective Date hereof.

(c) The parties to this Permit hereby acknowledge that the Space is non-residential real estate.

5. Payment of Fees:

(a) Unless otherwise expressly provided in this Permit, the Permittee shall pay to the Port Authority a fee for its use and occupancy of the Space. The fee specified is a monthly fee, payable in advance on the Effective Date and on the first day of each and every calendar month thereafter.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-1517

or made via the following wire transfer instructions:

Bank: Commerce Bank
Bank ABA Number: 031201360
Account Number: (Ex. 1)

or sent to such other address, or pursuant to such other wire transfer instructions, as may hereafter be substituted therefor by the Port Authority, from time to time, by notice to the Permittee.

(c) If the permission granted hereunder becomes effective on a date other than the first day of a calendar month or expires or is revoked or terminated on a date other than the last day of a calendar month, the fee payable for the part of the month during which the permission is in effect shall be computed by prorating the monthly fee on a daily basis, using the exact number of days in the month involved.

(d) Upon execution of this Permit by the Permittee, the Permittee shall pay to the Port Authority all unpaid fees and other monies due and payable under this Permit as of the date of execution.

6. Late and Service Charges:

(a) If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority 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 (hereinbelow 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 (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) 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 (15) (but not less than thirteen (13)) 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 Audit Findings (as defined below) shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. 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 to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. 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 Permit, including without limitation the Port Authority's rights set forth in Section 2 hereof or (ii) any obligations of the Permittee under this Permit. 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 Permit shall be payable instead at such legal maximum.

(b) (1) The Permittee shall permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit and for one (1) year thereafter the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant in connection with the Permittee's use and occupancy of the Space as permitted hereunder within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any such corporate records and books of account.

(2) 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 Permittee (the "**Audit Findings**"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount equal to five percent (5%) of the Audit Findings. 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 Permittee under this Permit 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 of payment of any late charge(s) or other service charge(s) payable under the provisions of this Permit 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 Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

7. Security Deposit: If the Permittee is obligated by any other agreement to maintain a security deposit with the Port Authority to insure payment and performance by the Permittee of all fees, rentals, charges and obligations which may become due and owing to the Port Authority arising from the Permittee's operations at the Airport pursuant to any such other

agreement or otherwise, then all such obligations under such other agreement and any deposit pursuant thereto also shall be deemed obligations of the Permittee under this Permit and as security hereunder as well as under any such other agreement and all provisions of such other agreement with respect to such obligations and any obligations thereunder of the Port Authority as to the security deposit are hereby incorporated herein by this reference as though fully set forth herein and hereby made a part hereof. The termination, revocation, cancellation or expiration of any other agreement to which such security shall apply or any permitted assignment of such other agreement shall not affect such obligations as to such security which shall continue in full force and effect hereunder.

8. Indemnification of Port Authority:

(a) The Permittee 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 and expenses including legal costs and 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 of the operations, acts or omissions of the Permittee hereunder, including claims and demands of the City against the Port Authority pursuant to the provisions of the City Lease.

(b) The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any way connected with this Permit. Without in any way limiting its obligations under the preceding paragraph (a) hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

(c) If so directed, the Permittee shall at its own expense defend any suit based on any claim or demand referred to in the foregoing paragraphs (a) or (b) (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining the prior written consent of 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 governmental nature or the provisions of any statutes respecting the Port Authority.

(d) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

9. Right of Entry Reserved: The Port Authority shall have the right at any time and as often as it considers necessary, to inspect the Space and (without any obligation so to do) to enter thereon to make ordinary repairs, and in the event of emergency to take such action therein as may be required for the protection of persons or property.

10. Rules and Regulations: The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

11. Conduct of Operations:

(a) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designations, approvals, substitutions or redesignations given by it hereunder.

(b) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(c) Unless otherwise expressly provided, the Permittee shall not install any vending machines or similar devices in the Space or use the Space (or permit it to be used) for the sale to its employees or to the public of any of the following goods and services: beverages, food, candy, gum, ice cream or ice cream products, tobacco or tobacco products, periodicals, books, drugs, toys, games, souvenirs, jewelry, novelties, clothing, flowers, sporting or photographic goods, toilet articles, theatre tickets, shoe shines, pressing and cleaning (except of its employees' uniforms), developing and printing of photographs and films or baggage-checking. The specificity of the foregoing enumeration of disallowed activities shall not be deemed to infer that any particular activities not so enumerated are permitted under this Permit.

(d) No signs, posters or similar devices shall be erected, displayed or maintained in view of the general public in or about the Space without the written approval of the General Manager of the Airport; and any not approved by him may be removed by the Port Authority at the expense of the Permittee. The Permittee shall not display, or permit the display of, advertising of third parties in the Space.

(e) The Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Airport, except in regular parking areas upon payment of regular charges therefor.

(f) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the approval of the General Manager. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and

those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(g) The Permittee shall daily remove from the Airport 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 the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. 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 the waters at or bounding the Airport.

(h) The Permittee shall at all times maintain the Space in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas of the Space. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas of the Space which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, except for reasonable wear and tear arising out of its use and occupancy thereof.

12. Permittee Property:

(a) The personal property placed or installed by the Permittee in the Space shall remain the property of the Permittee and must be removed on or before the Expiration Date or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable. Any excess of the total cost of removal, storage and sale over the proceeds of sale shall be paid by the Permittee to the Port Authority upon demand.

13. Prohibited Acts:

(a) The Permittee 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 New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(1) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(2) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(3) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(4) may cause or produce upon the Airport any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(5) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Airport, or

(6) shall constitute a nuisance in or on the Airport or which may result in the creation, commission or maintenance of a nuisance in or on the Airport.

(c) For purposes of this Section, "Airport" includes all structures located thereon.

14. Specifically Prohibited Activities:

(a) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers at the Airport.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. Any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee be completely removed and/or remediated by the Permittee at its sole cost and expense.

(c) The Permittee shall not operate any engine or any item of automotive equipment in the Space without adequate ventilation.

(d) The Permittee shall not use any cleaning materials having a harmful or corrosive effect in the Space.

(e) The Permittee shall not fuel or defuel any equipment in the Space or elsewhere at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(f) The Permittee shall not start or operate any engine or any item of automotive equipment in the Space unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

(g) The Permittee shall not solicit business in the public areas of the Airport and shall not at any time use any electric amplifying devices or hand megaphones whatsoever.

15. Labor Disturbances:

(a) (1) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(2) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(b) If any type of strike or other labor activity is directed against the Permittee at the Airport or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Airport or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

16. The City Lease:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(1) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(2) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security and other deposits required under this Permit);

(3) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(4) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease;

(5) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(6) The Permittee shall use the Space in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(7) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(8) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

(c) No greater rights or privileges are hereby granted to the Permittee than the Port Authority has power to grant under the City Lease.

17. Law Compliance:

(a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Airport from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

(e) The Port Authority has agreed by a provision in the City Lease to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of improvements at the Airport and in regard to life safety, health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

18. Federal Airport Aid: The Permittee shall:

(a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefore at the Airport;

(b) Furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

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

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

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 undertaken 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 Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further 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 Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

19. Non-Discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Space, (ii) that in the construction of any improvements on, over, or under the Space and the furnishing of services thereon by it, no person on the grounds of race, creed, color national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (iii) that the Permittee shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, 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 Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee 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 Permittee, 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 Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. In the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; 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 Permittee 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 Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

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

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

employment activities covered in 14 CFR Part 152, Subpart E. The Permittee 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 Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee 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.

21. Notices: A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the cover page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's Representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

22. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission to use the Space.

23. Waiver of Trial by Jury: The Permittee hereby waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Permittee in respect of the Space and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Permit. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

24. Effect of Use and Occupancy after Expiration, Revocation or Termination: Without in any way limiting any other provision of this Permit, unless otherwise notified by the Port Authority in writing, in the event the Permittee continues its use and occupancy of the Space after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall surrender and completely vacate the Space at a rate equal to twice the monthly fee as provided for herein then in effect. Nothing herein contained shall be deemed to give the Permittee any right to continue its use and occupancy of the Space after the expiration,

revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to surrender, vacate and yield up the Space to the Port Authority on the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

25. No Personal Liability: No Commissioner, officer, agent or employee of the Port Authority shall be charged personally by the Permittee with any liability, or held liable to it, under any term or provision of this Permit, or because of its execution or attempted execution, or because of any breach hereof.

26. No Waiver: No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

27. Construction and Application of Terms:

(a) The use of headings in this Permit is for convenience of reference only and in no way intended to define, limit or describe the scope or intent of any provision hereof.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Permit or any amendments, addendums or supplements hereto or any endorsements, exhibits, schedules or other attachments hereto.

(c) The provisions and obligations contained in any endorsements, exhibits, schedules or other attachments hereto shall have the same force and effect as if set forth in full herein.

(d) To the extent that any provisions of this Permit are in any instance to be construed in accordance with the laws of a state, the laws of the State of New York shall apply.

28. Entire Agreement: This Permit, including the attached exhibits, endorsements, schedules and other attachments, if any, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee

agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

A principal purpose of the Port Authority in granting the permission under this Permit is to have available for passengers, travelers and other users of the Port Authority Facility, all other members of the public, and persons employed at the Facility, the merchandise and/or services which the Permittee is permitted to sell and/or render hereunder, all for the better accommodation, convenience and welfare of such individuals and in fulfillment of the Port Authority's obligation to operate facilities for the use and benefit of the public.

The Permittee agrees that it will conduct a first class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

STANDARD ENDORSEMENT NO. 3.1
ACCOMMODATION OF THE PUBLIC
All Facilities
8/21/49

The Permittee shall maintain all its own fixtures, equipment and personal property in the Space in first-class operating order, condition and appearance at all times, making all repairs and replacements necessary therefor, regardless of the cause of the condition necessitating any such repair or replacement.

Nothing herein contained shall relieve the Permittee of its obligations to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decorations, additions or improvements in the Space.

STANDARD ENDORSEMENT NO. 6.1
All Installations
3/28/49

(a) The Permittee shall at all times keep the Space in a clean and orderly condition and appearance, together with all fixtures, equipment and personal property of the Permittee and of the Port Authority located in or on the Space, including without limitation thereto the interior surface of windows and both sides of all entrance doors.

(b) The Permittee shall repair, replace, rebuild and paint all or any part of the Space or of the Facility which may be damaged or destroyed by the acts or omissions of the Permittee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons who are doing business with the Permittee who are on or at the Space or the Facility with the consent of the Permittee.

(c) The Permittee shall take good care of the Space, including therein, without limitation thereto, walls, partitions, floors, ceilings, doors and columns, and all parts thereof, and all equipment and fixtures, and shall do all preventive maintenance and make all necessary non-structural repairs, replacements, rebuilding and painting necessary to keep the Space in the condition existing on the effective date and to keep any improvements, additions and fixtures made or installed during the effective period of this Agreement in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or the appearance of any part of the Space.

(d) In the event the Permittee fails to commence so to make or do any repair, replacement, rebuilding or painting required by this Agreement within a period of ten (10) days after notice from the Port Authority so to do, or fails diligently to continue to completion the repair, replacement, rebuilding or Painting of all the premises required to be repaired, replaced, rebuilt or painted by the Permittee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Space included in the said notice, the Port Authority's cost thereof to be paid by the Permittee on demand. This option or the exercise thereof shall not be deemed to create or imply any obligation or duty to the Permittee or others.

(e) The obligation of the Permittee as set forth in paragraphs (b) and (c) above, in the event of damage or destruction covered by any contract of insurance under which the Port Authority is the insured, is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that if at any time because of this release the insurance carrier of any policy covering the premises or any part thereof shall increase the premiums otherwise payable for fire, extended coverage or rental coverage applicable to the premises; the Permittee shall pay to the Port Authority an amount equivalent to such increase or increases on demand; and provided, further, that if at any time this release shall invalidate any such policy of insurance or reduce, limit or void the rights of

the Port Authority thereunder, or if because of this release, any such insurance carrier shall cancel any such policy or shall refuse to issue or renew the same or shall refuse to issue a policy with an endorsement thereon under which this release is permitted without prejudice to the interest of the insured or shall cancel such endorsement or refuse to renew the same or shall take any other action to alter, decrease or diminish the benefits of the Port Authority under the policy, then the release shall be void and of no effect. Nothing herein shall be construed to imply an obligation on the Port Authority to carry any such insurance policy or to obtain or keep in force any such endorsement.

(f) The Port Authority shall have no duty of repair or maintenance as to the Space or any fixtures, equipment or personal property which is located in or on the Space.

(g) The Permittee shall immediately clear all drainage and supply stoppages and partial blocks, in and in connection with any plumbing fixtures, equipment and system which are a part of or are located in or on the Space. All glass in windows and doors which are a part of or are located in or on the Space and which may be broken shall be replaced by the Permittee not later than five days after breakage or at any earlier date if so directed by the Port Authority and immediately if such replacement is necessary to protect the Space, any part thereof or any other property of the Port Authority against damage, loss or theft. The Permittee shall have no obligation under this paragraph where the condition is caused by the negligence of the Port Authority.

(h) The Permittee shall immediately notify the Port Authority if any portion or all of the Space or any of the said Port Authority fixtures, equipment or personal property is destroyed, damaged or in need of repair, regardless of the Permittee's responsibility therefor.

(i) Nothing herein contained shall relieve the Permittee of its obligations to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decorations, additions or improvements in the Space.

(j) In the event of a partial or total destruction of the Space, the Permittee shall immediately remove any and all of its property and debris from the Space or portion thereof destroyed.

The Port Authority, by its officers, employees, representatives, contractors, licensees, and their employees, shall have the right for the benefit of the Port Authority, or the Permittee and/or for the benefit of others than the Permittee to maintain existing and future heating, water, gas, electricity, sewerage, drainage, fire protection sprinkler, ventilating, refrigerating, fuel and communication systems and other such service systems, including all tubes, pipes, lines, mains, wires, conduits and equipment on or about the Space and to enter upon the Space at all reasonable times and to make such repairs, replacements and 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, on, in or under the Space new tubes, pipes, lines, mains, wires, conduits and equipment, provided however, that the same shall be done so as to interfere as little as reasonably possible with the Permittee's operations.

Nothing contained in this Endorsement shall or shall be construed to impose upon the Port Authority any obligations so to maintain or to make repairs, replacements, alterations or additions or any liability for failure to do so.

STANDARD ENDORSEMENT NO. 11.1
MAINTENANCE OF SERVICE FACILITIES
All Facilities
7/21/49

(1) The Permittee in its own name as assured shall secure and pay the premium or premiums for such of the following policies of insurance with respect to which minimum limits are fixed in the schedule below. Each such policy shall be maintained in at least the limit fixed with respect thereto, shall cover the operations of the Permittee under this Permit, and shall be effective throughout the effective period:

SCHEDULE

	Policy	Minimum Limit
(a)	Commercial general liability insurance (to include contractual liability endorsement)	
	(1) Bodily-injury liability:	
	For injury or wrongful death to one person:	$5,000,000.00
	For injury or wrongful death to more than one person in any one occurrence:	$5,000,000.00
	(2) Property-damage liability:	
	For all damages arising out of injury to or destruction of property in any one occurrence:	$5,000,000.00
	(3) Products liability:	$
(b)	Automotive liability insurance:	
	(1) Bodily-injury liability	
	For injury or wrongful death to one person:	$ 2,000,000.00
	For injury or wrongful death to more than one person in any one occurrence:	$ 2,000,000.00
	(2) Property-damage liability:	
	For all damages arising out of injury to or destruction of property in any one occurrence:	$ 2,000,000.00
(c)	Plate and mirror glass insurance, covering all plate and mirror glass in the premises, and the lettering, signs, or decorations, if any, on such plate and mirror glass:	$
(d)	Boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space:	$
(e)	"Additional Interest" policy of boiler and machinery insurance, covering all boilers, pressure vessels and machines operated by the Permittee in the Space:	$

(2) The Port Authority shall be named as an additional insured in any policy of liability insurance required by this Endorsement, unless the Port Authority shall, at any time during the effective period of this Permit, direct otherwise in writing, in which case the Permittee shall cause the Port Authority not to be so named.

(3) Every policy of insurance on property other than that of the Permittee required by this Endorsement shall name the Port Authority as the owner of property, unless the Space is located in an area as to which the Port Authority is itself a lessee, in which case the Port Authority shall be named as the lessee and the owner shall be named as the owner, and the policy shall be endorsed substantially as follows:

> "Loss, if any, under this policy, as to the interest of the owner and as to the interest of the Port Authority of New York and New Jersey, shall be adjusted solely with the Port Authority, and all proceeds under this policy shall be paid solely to the Port Authority."

(4) The "Additional Interest" policy of boiler and machinery insurance required by this Endorsement shall provide protection under Sections 1 and 2 only of the Insuring Agreements of the form of policy approved for use as of the date hereof by the National Bureau of Casualty Underwriters, New York, New York.

(5) As to any insurance required by this Endorsement, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority within ten (10) days after the execution of this Permit. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified, without giving ten (10) days' written notice thereof to the Port Authority. A renewal policy shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the policies shall be or become unsatisfactory to the Port Authority as to form or substance, of if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority as to form or substance, or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement.

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

(a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of ($15,000.00) either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, 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 Permittee, all of the terms, provisions, covenants and conditions of this Permit 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 Permittee may deposit such bonds 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 Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable 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 Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. 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 Permittee. 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 Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, 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 Permittee. The Permittee 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 Permittee. 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 Permittee. 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 Permittee 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 Standard Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee 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 Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The

Permittee 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 hereafter 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.

SPECIAL ENDORSEMENTS

1. Subject to all the terms, conditions and endorsements of this Permit, the Port Authority hereby grants to the Permittee permission to use the Space shown in diagonal hatching on the sketch annexed hereto, made a part hereof and marked "Exhibit A", together with all fixtures, improvements and other property of the Port Authority located therein or thereon (such space and the foregoing hereinafter collectively referred to as the "Space" hereunder). The Permittee shall use the Space as a repair shop for buses.

2. The Permittee hereby 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 Space. The Permittee, prior to the execution of this Permit, has thoroughly examined the Space and determined it to be suitable for the Permittee's operations hereunder. The Permittee hereby agrees to take the Space in its "as is" condition as of the Effective Date and the Permittee shall pay for all costs and expenses to prepare the Space for the purposes permitted hereunder all in accordance the terms and conditions of this Permit. In addition, upon the expiration or earlier termination or revocation of this Permit, the Permittee shall restore the Space to the same condition as the Space existed upon the Effective Date hereof.

3. Basic Fee.

(a) *Definition.* "Fee Commencement Date" shall mean October 1, 2008.

(b) *Basic Fee.* The Permittee shall pay a basic fee under this Agreement as follows: during the period from the Fee Commencement Date through the day preceding the First Anniversary Date, at the monthly rate of (Ex. 2.a. payable in advance on the Fee Commencement Date and on the first day of each calendar month thereafter during such period; and commencing on the First Anniversary Date and on each Anniversary Date thereafter throughout the term of the letting hereunder, at rates escalated in accordance with the provisions of Special Endorsement No. 4 hereto, payable in equal monthly installments on the first day of each calendar month.

4. Escalations of Basic Fee.

(a) *Definitions.* As used in this Special Endorsement:

(1) "Adjustment Period" shall mean, as the context requires, the calendar month of August 2009 and the calendar month of August in each calendar year occurring during the term of the permission under this Permit.

(2) "Anniversary Date" shall mean, as the context requires, October 1, 2009 (the "First Anniversary Date") and each anniversary of such date occurring during the term of this Permit.

(3) "Annual Index Increase" shall mean the percentage of increase in

the Index on each Anniversary Date, equal to: (x) with respect to the First Anniversary Date, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period, and the denominator shall be the Index for the Base Period, and (y) with respect to each Anniversary Date thereafter, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the next preceding Adjustment Period, and the denominator shall be the Index for such next preceding Adjustment Period (for example, the Annual Index Increase for the Anniversary Date that is October 1, 2010 would be a fraction of which the numerator is the Index for August 2010 less the Index for August 2009 and the denominator is the Index for August 2009).

(3) "Base Period" shall mean the calendar month of August 2008.

(4) "Index" shall mean the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(5) "Percentage Increase" shall mean, with respect to each Anniversary Date, a percentage equal to one-half (1/2) times the Annual Index Increase for that Anniversary Date, unless one-half (1/2) times such Annual Index Increase is less than four percent (4%), in which case the Percentage Increase shall be four percent (4%).

(b) *Annual Increases.* Commencing on each Anniversary Date and for the period commencing with such Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the Expiration Date, as the case may be, the Lessee shall pay a basic fee at a rate per annum equal to the sum of (x) the basic fee theretofore payable and (y) the product obtained by multiplying such basic fee by one hundred percent (100%) of the Percentage Increase for such Anniversary Date.

(c) *Adjustments.*

(1) In the event the Index to be used in computing any increase referred to in paragraph (b) of this Special Endorsement is not available on the effective date of such increase, the Lessee shall continue to pay the basic fee at the annual rate then in effect subject to retroactive increase at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest preceding month then published to constitute the specified Index. In the event the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) shall hereafter be converted to a different standard reference base or otherwise revised, or the United States Department of Labor shall cease to publish the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100), then for the purposes hereof there shall be substituted for the Index such other appropriate index or indices properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest increase as the Port Authority may in its discretion determine.

(2) If after an increase in the basic fee shall have been fixed for any period, the Index used for computing such increase shall be changed or adjusted, then the fee increase for that period shall be recomputed, and from and after notification of the change or

adjustment, the Permittee shall make payments based upon the recomputed fee and upon demand shall pay any excess in the basic fee due for such period, as recomputed, over amounts theretofore actually paid on account of the basic fee for such period. If such change or adjustment results in a reduction in the basic fee due for any period prior to notification, the Port Authority will credit the Permittee with the difference between the basic fee as recomputed for that period and amounts of basic fee actually paid.

(3) If any increase in the basic fee referred to in paragraph (b) of this Special Endorsement is effective on a day other than the first day of a calendar month, there shall be payable in advance on the effective date of such fee increase an installment of the basic fee equal to 1/12th of the increment of basic fee as increased, multiplied by a fraction of which the numerator shall be the number of days from the effective date of the fee increase to the end of the calendar month in which the fee increase became effective and the denominator shall be the number of days in that calendar month.

5. (a) Subject to all of the terms and conditions of this Permit, the Port Authority will furnish to the Permittee, to the extent that the Permittee's consumption does not exceed the capacity of feeders, risers or wiring in the area or the Facility, electricity for the Permittee's operations in the Space, the quantity of such electricity supplied to the Permittee to be measured by survey to be conducted by the Port Authority's Engineering Department, or by an independent utility consultant to be selected by the Port Authority for the purpose of determining the Permittee's consumption of and demand for electricity (such consumption and demand for electricity being hereinafter referred to as "consumption and demand"). The Permittee's consumption and demand shall be based upon the wattage and of lamps and other electrical machinery and equipment and the frequency and duration of use thereof in the Space. The Permittee's annual consumption and demand shall be divided by the number of "billing periods" per year established by the public utility supplying electricity in the vicinity so as to determine the Permittee's consumption and demand per billing period. The Permittee shall pay to the Port Authority for each billing period the cost of such consumption and demand as measured by survey based on the greater of (1) the rates (including the fuel or other adjustment factor if any), which would be charged to the Permittee by the public utility company supplying electricity in the vicinity at the time of such purchase and under the service classification then applicable to the Permittee for the same quantity of electricity to be used for the same purposes under the same conditions, if the Permittee purchased such electricity directly from such public utility company, or (2) the Port Authority's cost of obtaining and supplying the same quantity of electricity. The Permittee shall pay the cost of such consumption and demand for each such billing period to the Port Authority upon demand therefor. The determination of consumption and demand by survey shall be effective until the next succeeding survey and shall be binding and conclusive upon both the Permittee and the Port Authority as to all matters, including, without limitation, the frequency and duration of use of lamps and other electrical machinery and equipment.

(b) Notwithstanding that the Port Authority has agreed to supply electricity to the Permittee, the Port Authority shall be under no obligation to provide or continue such service if the Port Authority is prevented by law, agreement or otherwise from metering or measuring consumption and demand as hereinabove set forth, or elects not to so meter or measure the same, and in any event the Permittee shall make all arrangements and conversions necessary to obtain electricity directly from the public utility. Also, in such event, the Permittee shall perform the construction necessary for conversion and if any lines or equipment of the Port Authority are with the consent of the Port Authority used therefor, the Port Authority may make an appropriate charge therefor payable by the Permittee to the Port Authority based on its costs and expenses for such lines and equipment.

(c) If any federal, state, municipal or other governmental body, authority or agency or any public utility assesses, levies, imposes, makes or increases any charge, fee or rent on the Port Authority for any service, system or utility now or in the future supplied to or available to the Space or to any occupants or users thereof or to the structure or building of which the Space forms a part (including, but not limited to, any sewer rent or charge for the use of sewer systems), the Permittee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Permittee pay, in accordance with said notice, such charge, fee or rent or increase thereof (or the portion thereof allocated by the Port Authority to the Space or the Permittee's operations hereunder) either directly to the governmental body, authority or agency or to the public utility or directly to the Port Authority.

(d) The Port Authority shall have the right to discontinue temporarily the supply of any of the above services when necessary or desirable in the opinion of the Port Authority, acting in a non-arbitrary or capricious manner, in order to make any repairs, alterations, changes or improvements in the Space or elsewhere in the Facility including, but not limited to, all systems for the supply of services.

(e) No failure, delay or interruption in any service or services shall be or shall be construed to be an eviction of the Permittee, shall be grounds for any diminution of abatement of the fees payable hereunder, or shall constitute grounds for any claim by the Permittee for damages, consequential or otherwise, unless due to the negligent acts of the Port Authority, its employees or agents. The Permittee shall not be entitled to receive any service or services during any period which the Permittee shall be in default under any of the provisions of this Permit.

(f) The Port Authority shall have no obligations or responsibility with respect to the performance of any services or providing, supplying or furnishing to the Permittee of any utilities or services whatsoever except as expressly provided in this Special Endorsement.

(g) In the event the Port Authority shall provide extermination service for the Space, the Permittee agrees to utilize the same and to pay its share of the reasonable cost thereof, upon demand. This Special Endorsement does not impose any obligation .on the Port Authority to furnish such service.

6. In the event that pursuant to the terms of this Permit the Permittee is required or permitted to perform construction, finishing, decorating, alteration or improvement work to the Space, or to make repairs thereto, all of the same shall be made or performed in accordance with the following terms and conditions:

(a) Prior to commencing the performance of any construction work, the Permittee shall submit to the Port Authority for its approval an Alteration Application, in the form supplied by the Port Authority, and containing such terms and conditions as the Port Authority may include, setting forth in detail and by appropriate plans and specifications the work the Permittee proposes to perform and the manner of and time periods for performing the same. The data to be supplied by the Permittee shall identify separately each item of construction work the Permittee proposes to perform, and shall describe in detail the improvements, fixtures, equipment and systems, if any, to be installed by the Permittee, including electrical and other systems, and shall show the proposed method of tying in such systems to the utility lines or connections furnished by the Port Authority on or off the Space at such points as are designated by the Port Authority. The Permittee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Permittee to the Port Authority shall bear the seal of a qualified architect or

professional engineer, who shall be responsible for the administration of the work in accordance with the Port Authority's requirements, and shall be in sufficient detail for a contractor to perform the work. In connection with review by the Port Authority of the Permittee's submissions under this Special Endorsement, the Permittee shall submit to the Port Authority, at the Port Authority's request, such additional data, detail or information as the Port Authority may require for such review. The Permittee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor has been approved by the Port Authority. The Permittee shall include in any such contract or subcontract such provisions as the Port Authority may approve or require including, without limitation thereto, provisions regarding labor harmony. The Permittee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage and performance bonds as the Port Authority shall specify. All work to be performed by the Permittee hereunder shall be done in accordance with the said Alteration Application and final plans and specifications approved by the Port Authority, shall be subject to inspection by the Port Authority during the progress of the work and after the completion thereof and the Permittee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the construction work the Permittee shall supply the Port Authority with a certificate signed by the architect or engineer who sealed the Permittee's plans pursuant to the provisions of this Special Endorsement that all of the work performed by the Permittee has been performed in accordance with the plans and specifications approved by the Port Authority and the provisions of this Permit and the Permittee shall supply the Port Authority with "as built" drawings in such form and number as are requested by the Port Authority.

(b) The Permittee shall be solely responsible for the plans and specifications used by it and for the adequacy or sufficiency of such plans and specifications and all of the improvements depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by the Port Authority or the incorporation therein of any Port Authority requirements or recommendations. The Port Authority shall have no obligation or liability in connection with the performance of any of the aforesaid work or for the contracts for the performance thereof entered into by the Permittee. Any warranties extended or available to the Permittee in connection with the aforesaid work shall be for the benefit of the Port Authority as well as the Permittee.

(c) Without limiting or affecting any other term or provision of this Permit, the Permittee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems and equipment installed by it in the Space and shall do all preventive maintenance and make all repairs, replacements, rebuilding and painting necessary to keep such systems and equipment and all other improvements, fixtures, finishes and decorations made or installed by the Permittee (whether the same involves structural or non-structural work) in the condition they were in when made and installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or appearance of any part of the Space.

(d) The Permittee shall pay 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 work and shall cause its contractors and subcontractors to pay all such claims lawfully made against them.

7. (a) Without limiting the generality of any term or provision of this Permit or the Standard Endorsements annexed thereto, all fixtures, trade fixtures, equipment and improvements placed, installed or made on or to the Space shall be removed by the Permittee from the Space and the Facility on or before the expiration or earlier revocation or termination of this Permit and the Space shall be restored by the Permittee to the condition prior to any placement or installation. If the Permittee shall fail so to remove from the Space and the Facility any property or

thing which it is obligated under this Permit to remove, the Port Authority may remove such property and the Permittee shall pay the Port Authority the cost thereof on demand. The Port Authority may but shall not be obligated to remove such property or thing to a public warehouse for deposit or retain the same in its own possession and in either event may sell the same at public auction, the proceeds of which shall be applied first to the expense of removal, restoration, retention, storage and sale, second to any sums owed by the Permittee to the Port Authority with any balance remaining to be paid over to the Permittee. If the expense of such removal, restoration, retention, storage and sale shall exceed the proceeds of sale, the Permittee shall pay such excess to the Port Authority upon demand. The Permittee agrees not to do or permit to be done any servicing for maintenance, removal or restoration of or to any portion of the Space or to any property thereon unless the Port Authority has approved the time of performance thereof.

(b) The Port Authority shall have no duty of repair or maintenance as to the Space or any fixtures, equipment or personal property which is located therein or thereon.

(c) For all purposes under paragraph (a) of this Special Endorsement, the Port Authority shall submit to the Permittee a receipt showing any payment of a sum or sums by the Port Authority for any work done, or, in the case the Port Authority elects to use its operating and maintenance staff in performing any work, the Port Authority shall submit any time report of any employee of the Port Authority showing hours of labor or work allocated to such work, and such receipt or time report shall be *prima facie* evidence of the cost of such work.

8. (a) The Permittee shall reimburse the Port Authority for all Operating and Maintenance Costs, as hereinafter defined, incurred by the Port Authority in connection with the following:

(i) Such other maintenance, servicing, cleaning, policing or repair of the Space by the Port Authority as the same shall be mutually determined by the Port Authority and the Permittee.

(b) (i) "Operating and Maintenance Costs" shall mean and include costs which the Port Authority shall have paid or incurred in the conduct of and relating to the servicing, cleaning, policing, maintenance or repair of the Space, including the following items:

(aa) Wages, fringe benefits and other payroll costs paid to or for hourly employees for time worked at the Space in connection with the servicing, policing, operation, maintenance and repair of the Space;

(bb) Salaries, fringe benefits and other payroll costs paid to or for salaried employees regularly employed in connection with the servicing, policing, operation, maintenance and repair of the Space; and

(cc) The Port Authority's cost of ordinary maintenance, repairs and replacement of fixtures used in the operation of the Space. In no event shall any cost or expenditure be included in Operating and Maintenance Costs more than once even though fitting under more than one category provided for in this paragraph (b).

(ii) As used above in subparagraphs (aa) and (bb) of paragraph (b) of this Special Endorsement:

(aa) "Fringe Benefits" shall mean the items of cost which the Port Authority and the Permittee are obligated to pay or incur pursuant to the applicable collective bargaining agreements or which the Port Authority and the Permittee otherwise agree to

pay on the basis of wages paid to employees, including, without limitation, vacation allowances, sick leave, holiday pay, jury duty, medical check up, lunch time, relief time, other paid time off, bonuses, pension plans, welfare and training funds and health, life, accident or other such types of insurance, and any other payment made or cost incurred by agreement with such employees and personnel or pursuant to the Port Authority's or Permittee's policies with respect to such employees and personnel.

(bb) "Other Payroll Costs" shall mean taxes and other payments pursuant to law upon the basis of wages paid to employees, including, without limitation, F.I.C.A., New York State Unemployment Insurance, Disability Insurance and Federal Unemployment Insurance.

9. (a) Without limiting the generality of any other provision of this Permit, the Permittee shall not keep, maintain, place or install in the Space any fixtures or equipment the use of which is not consistent with and required for the purposes of this Permit and the Permittee shall not use or connect any equipment or engage in any activity or operation in the Space which will cause or tend to cause an overloading of the capacity of any existing or future utility, mechanical, electrical, communication or other systems or portions thereof on the Space or elsewhere at the Facility, nor shall the Permittee do or permit to be done anything which may interfere with the effectiveness or accessibility thereof.

(b) The Permittee shall make any and all improvements, alterations or repairs to the Space that may be required at any time hereafter by any present or future rule, regulation, requirement, order or direction of the National Fire Protection Association, and of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Permittee on the Space.

10. The Port Authority shall not be liable to the Permittee or others for any personal injury, death or property damage from falling material, water, rain, hail, snow, gas, steam, dampness, explosion, smoke, radiation and/or electricity whether the same may leak into or fall, issue or flow from any part of the Space or of the Facility including, without limitation thereto, any utility, mechanical, electrical, communication or other systems therein, or from any other place or quarter unless said damage, injury or death shall be due to the negligent acts of the Port Authority, its employees or agents.

11. (a) Any name, designation or any service mark proposed to be used or displayed at the Space or for the Permittee's operations therein shall be approved in advance in writing by the Port Authority and the Permittee shall have the right to use and display the name, designation or mark only so long as this Permit is in force and effect. If for any reason the Permittee ceases its operations in the Space, the Permittee's right to use such name, designation or service mark shall immediately cease and come to an end and the Port Authority or its designee shall have the sole right to use such name, designation or service mark and the Permittee hereby consents to such use thereof. Any registration or filing by the Permittee with respect to such name, designation or service mark shall indicate the Port Authority's interest therein and the form thereof shall be approved in advance by the Port Authority in writing. The Permittee agrees to assign and transfer to the Port Authority any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from the Port Authority.

Nothing in this Special Endorsement shall be deemed to permit the Port Authority to continue the use of a name used by the Permittee for its operations hereunder which name is identical to that used by the Permittee in its operations elsewhere, but the Port Authority shall have the right to continue the use of a name peculiar or developed solely for use at the Space and/or the Airport.

(b) The Permittee shall not use or make any reference, by advertising or otherwise, to the names "John F. Kennedy International Airport" (except to designate the Permittee's address at the Space and then only in a conventional manner and without emphasis or display), "The Port Authority of New York and New Jersey", "Port Authority" or any simulations or abbreviations of any such names, or any emblem, picture or reproduction of John F. Kennedy International Airport, for any purpose whatsoever without obtaining the prior written approval of the Port Authority. Furthermore, the Permittee shall not make use of or originate any material intended for publication or visual or oral presentation which may tend to impair the reputation of the John F. Kennedy International Airport or its desirability.

12. The Permittee understands that the Port Authority shall have no responsibility to keep any portion of the Facility designated for the Permittee's use guarded, attended or patrolled at any time and the Port Authority has not nor shall it be deemed to have assumed any liability or obligation whatsoever with respect to any of the Permittee's property located on the Space or elsewhere at the Facility.

13. (a) The Port Authority shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of the Port Authority. Further, the Port Authority shall not be liable unless the failure, delay or interruption shall result from the failure on the part of the Port Authority to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

(b) No diminution or reduction of the fees or other charges payable by the Permittee shall be claimed by or allowed to the Permittee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city governments, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or condition beyond the control of the Port Authority, nor shall this Permit be affected by any such causes or conditions.

14. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction or designation given hereunder or pursuant hereto.

15. Prior to the execution of this Permit by either party, the following changes, deletions and additions were made in the foregoing Terms and Conditions and Standard Endorsements:

(a) Notwithstanding anything to the contrary contained in the Permit, except in the event of an emergency, the Port Authority shall exercise its right of entry provided for in Section 9 of the Terms and Conditions upon twenty-four (24) hours' notice to the Permittee, which notice may be oral.

(b) The phrase "which approval will not be withheld unreasonably" shall be inserted following the words "General Manager of the Airport" appearing in the third line of paragraph (d) of Section 11 of the Terms and Conditions.

(c) The word "daily" appearing in the first line of paragraph (g) of Section 11 of the Terms and Conditions shall be deleted and the word "weekly" shall be inserted in lieu therefor.

(d) The last sentence of Section 28 of the Terms and Conditions shall be deemed deleted and the following shall be deemed inserted in lieu thereof:

> "The Port Authority and the Permittee each agree that no representations or warranties shall be binding upon the other unless express in writing herein."

(e) The words "the Port Authority covenanting and agreeing not to delay its approval unreasonably" were inserted at the end of the last sentence appearing in Standard Endorsement No. 6.1.

(f) That portion of paragraph (e) in Standard Endorsement No. 6.4 beginning in the fourth line with the words "provided, however" and ending with the words "equivalent to such increase or increases on demand" shall be deemed deleted.

(g) The words "when possible, and in no event later than within twenty-four (24) hours" shall be deemed inserted after the word "immediately" appearing in paragraphs (h) and (j) of Standard Endorsement No. 6.4.

For the Port Authority

Initialled:

For the Permittee

:THIS SPACE FOR PORT AUTHORITY:
:USE ONLY - AYD-916 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, NY 10003

JOHN F. KENNEDY INTERNATIONAL AIRPORT
Space Permit

The Port Authority of New York and New Jersey (hereinafter referred to as the "Port Authority") hereby grants to the Permittee hereinafter named permission to use and occupy the following described space at John F. Kennedy International Airport (hereinafter referred to as the "Space") for the purposes hereinafter specified and purposes incidental thereto in accordance with the Terms and Conditions hereof; and said Permittee agrees to pay the fee or fees hereinafter specified and to perform all other obligations imposed upon it in said Terms and Conditions.

1. PERMITTEE: Star Mountain JFK Inc., a corporation formed under the laws of the State of New York.
2. PERMITTEE'S ADDRESS: Building 141
   John F. Kennedy International Airport
   Jamaica, New York 11430
3. PERMITTEE'S REPRESENTATIVE: Carmen Ham
4. SPACE: As set forth in Special Endorsement No. 1 hereof
5. PURPOSES: As set forth in Special Endorsement No 2 hereof
6. FEES: As set forth in Special Endorsement No. 3 hereof
7. EFFECTIVE DATE: October 1, 2008
8. EXPIRATION DATE: September 30, 2013
9. ENDORSEMENTS: 2.2, 6.3, 10.2, 11.1, 14.1, 23.1 and SPECIAL ENDORSEMENTS

Dated: as of October 1, 2008

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____
Name: David Keegan
Title: Assistant Director
Business, Properties & Airport Development

STAR MOUNTAIN JFK INC.
Permittee

By: _____
Name: Carmen Ham
Title: President

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:

TERMS AND CONDITIONS

1. Certain Definitions:

(a) "**Airport**" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property and premises as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) "**City**" shall mean The City of New York, a municipal corporation of the State of New York.

(c) "**City Lease**" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) "**Effective Date**" shall mean the date designated as the "Effective Date" in Item 7 on the cover page of this Permit.

(e) "**Executive Director**" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(f) "**Expiration Date**" shall mean the date designated as the "Expiration Date" in Item 8 on the cover page of this Permit.

(g) "**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 Manager by this Permit; until further notice from the Port Authority to the Permittee it shall mean the General Manager or the Acting General Manager of John F. Kennedy International Airport for the time being, or his duly designated representative or representatives.

(h) "**Hazardous Substance**" shall mean any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and substances declared to be hazardous or toxic or the removal, containment or restriction 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 hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

(i) "**Permittee's Representative**" shall mean the individual named in Item 3 on the cover page of this Permit or such other individual as the Permittee may designate by notice in accordance with the provisions of Section 21 below, entitled "Notices".

2. Effectiveness:

(a) The permission granted by this Permit shall take effect upon the Effective Date. Notwithstanding any other term or condition hereof, it may at any time be revoked by the Port Authority without cause upon thirty (30) days' prior notice, and terminated by the Permittee without cause upon thirty (30) days' prior notice; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee fails to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including without limitation the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, 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), repairing and altering the space and putting the space in order (such as but not limited to cleaning and decorating the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

(b) No exercise by the Port Authority of any right of revocation granted to it in this Section shall be deemed to be a waiver of any other rights of revocation contained in this Section or elsewhere in this Permit or a waiver of any other rights or remedies which may be available to the Port Authority under this Permit or otherwise.

(c) The permission hereby granted shall in any event terminate with the expiration or termination of the City Lease.

3. Use of Space by Permittee:

(a) The Space shall be used, pursuant to the permission hereby granted,

(1) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees,

(2) if the Permittee is an unincorporated association, or a "Massachusetts" or business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees,

(3) if the Permittee is a partnership, by the Permittee acting only through the medium of its general partners and employees, or

(4) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(5) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees;

and the Permittee shall not, without the written approval of the Port Authority, use the Space through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or the permission granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority. In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

(b) The Permittee's Representative specified in Item 3 of the cover page of this Permit (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any act or things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension hereof and to give and receive notices hereunder.

(c) This Permit shall not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever.

(d) The Permittee hereby agrees that it will not carry on any business or operation in the Space or at the Airport other than as specifically provided herein without receiving the prior written consent of the Port Authority, which consent, if given, will be in the form of a Supplement hereto or a separate agreement with the Port Authority, which consent will specify whether the provisions regarding fees contained herein or any other provisions regarding fees shall apply thereto.

4. Condition of Space:

(a) The Permittee hereby acknowledges that prior to the execution of this Permit it has thoroughly examined and inspected the Space and has found the Space in good order and repair and has determined the Space to be suitable for the Permittee's operations hereunder and acknowledges and agrees that it has not relied on any representations or statements of the Port Authority, its Commissioners, officers, employees or agents as to the condition or suitability thereof for use by the Permittee for the purposes contemplated herein. The Permittee agrees to and shall take the Space in its "as is" condition and the Port Authority shall have no obligation hereunder for preparation of the Space for the Permittee's use. The Permittee agrees that no portion of the Space will be used initially or at any time during the effective period of the permission granted hereunder which is in a condition unsafe or improper for the purposes contemplated herein so that there is possibility of injury or damage to life or property and the Permittee further agrees that before any use it will immediately correct any such unsafe or improper condition.

(b) Except to the extent required for the performance of any of the obligations of the Permittee under this Permit, nothing contained in this Permit shall grant to the Permittee any rights whatsoever in the air space above the height of the structures located on the Space as of the Effective Date hereof.

(c) The parties to this Permit hereby acknowledge that the Space is non-residential real estate.

5. Payment of Fees:

(a) Unless otherwise expressly provided in this Permit, the Permittee shall pay to the Port Authority a fee for its use and occupancy of the Space. The fee specified is a monthly fee, payable in advance on the Effective Date and on the first day of each and every calendar month thereafter.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-1517

or made via the following wire transfer instructions:

Bank: Commerce Bank
Bank ABA Number: 026013673
Account Number: (Ex. 1)

or sent to such other address, or pursuant to such other wire transfer instructions, as may hereafter be substituted therefor by the Port Authority, from time to time, by notice to the Permittee.

(c) If the permission granted hereunder becomes effective on a date other than the first day of a calendar month or expires or is revoked or terminated on a date other than the last day of a calendar month, the fee payable for the part of the month during which the permission is in effect shall be computed by prorating the monthly fee on a daily basis, using the exact number of days in the month involved.

(d) Upon execution of this Permit by the Permittee, the Permittee shall pay to the Port Authority all unpaid fees and other monies due and payable under this Permit as of the date of execution.

6. Late and Service Charges:

(a) If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority 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 (hereinbelow 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 (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) 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 (15) (but not less than thirteen (13)) 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 Audit Findings (as defined below) shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. 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 to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. 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 Permit, including without limitation the Port Authority's rights set forth in Section 2 hereof or (ii) any obligations of the Permittee under this Permit. 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 Permit shall be payable instead at such legal maximum.

(b) (1) The Permittee shall permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit and for one (1) year thereafter the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant in connection with the Permittee's use and occupancy of the Space as permitted hereunder) within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any such corporate records and books of account.

(2) 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 Permittee (the "**Audit Findings**"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount equal to five percent (5%) of the Audit Findings. 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 Permittee under this Permit 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 of payment of any late charge(s) or other service charge(s) payable under the provisions of this Permit 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 Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

7. Security Deposit: If the Permittee is obligated by any other agreement to maintain a security deposit with the Port Authority to insure payment and performance by the Permittee of all fees, rentals, charges and obligations which may become due and owing to the Port Authority arising from the Permittee's operations at the Airport pursuant to any such other

agreement or otherwise, then all such obligations under such other agreement and any deposit pursuant thereto also shall be deemed obligations of the Permittee under this Permit and as security hereunder as well as under any such other agreement and all provisions of such other agreement with respect to such obligations and any obligations thereunder of the Port Authority as to the security deposit are hereby incorporated herein by this reference as though fully set forth herein and hereby made a part hereof. The termination, revocation, cancellation or expiration of any other agreement to which such security shall apply or any permitted assignment of such other agreement shall not affect such obligations as to such security which shall continue in full force and effect hereunder.

8. Indemnification of Port Authority:

(a) The Permittee 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 and expenses including legal costs and 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 of the operations, acts or omissions of the Permittee hereunder, including claims and demands of the City against the Port Authority pursuant to the provisions of the City Lease.

(b) The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any way connected with this Permit. Without in any way limiting its obligations under the preceding paragraph (a) hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

(c) If so directed, the Permittee shall at its own expense defend any suit based on any claim or demand referred to in the foregoing paragraphs (a) or (b) (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining the prior written consent of 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 governmental nature or the provisions of any statutes respecting the Port Authority.

(d) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

9. Right of Entry Reserved: The Port Authority shall have the right at any time and as often as it considers necessary, to inspect the Space and (without any obligation so to do) to enter thereon to make ordinary repairs, and in the event of emergency to take such action therein as may be required for the protection of persons or property.

10. Rules and Regulations: The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

11. Conduct of Operations:

(a) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designations, approvals, substitutions or redesignations given by it hereunder.

(b) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(c) Unless otherwise expressly provided, the Permittee shall not install any vending machines or similar devices in the Space or use the Space (or permit it to be used) for the sale to its employees or to the public of any of the following goods and services: beverages, food, candy, gum, ice cream or ice cream products, tobacco or tobacco products, periodicals, books, drugs, toys, games, souvenirs, jewelry, novelties, clothing, flowers, sporting or photographic goods, toilet articles, theatre tickets, shoe shines, pressing and cleaning (except of its employees' uniforms), developing and printing of photographs and films or baggage-checking. The specificity of the foregoing enumeration of disallowed activities shall not be deemed to infer that any particular activities not so enumerated are permitted under this Permit.

(d) No signs, posters or similar devices shall be erected, displayed or maintained in view of the general public in or about the Space without the written approval of the General Manager of the Airport; and any not approved by him may be removed by the Port Authority at the expense of the Permittee. The Permittee shall not display, or permit the display of, advertising of third parties in the Space.

(e) The Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Airport, except in regular parking areas upon payment of regular charges therefor.

(f) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the approval of the General Manager. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and

those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(g) The Permittee shall daily remove from the Airport 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 the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. 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 the waters at or bounding the Airport.

(h) The Permittee shall at all times maintain the Space in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas of the Space. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas of the Space which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, except for reasonable wear and tear arising out of its use and occupancy thereof.

12. Permittee Property:

(a) The personal property placed or installed by the Permittee in the Space shall remain the property of the Permittee and must be removed on or before the Expiration Date or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable. Any excess of the total cost of removal, storage and sale over the proceeds of sale shall be paid by the Permittee to the Port Authority upon demand.

13. Prohibited Acts:

(a) The Permittee 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 New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(1) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(2) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(3) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(4) may cause or produce upon the Airport any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(5) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Airport, or

(6) shall constitute a nuisance in or on the Airport or which may result in the creation, commission or maintenance of a nuisance in or on the Airport.

(c) For purposes of this Section, "Airport" includes all structures located thereon.

14. <u>Specifically Prohibited Activities:</u>

(a) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers at the Airport.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. Any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee be completely removed and/or remediated by the Permittee at its sole cost and expense.

(c) The Permittee shall not operate any engine or any item of automotive equipment in the Space without adequate ventilation.

(d) The Permittee shall not use any cleaning materials having a harmful or corrosive effect in the Space.

(e) The Permittee shall not fuel or defuel any equipment in the Space or elsewhere at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(f) The Permittee shall not start or operate any engine or any item of automotive equipment in the Space unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

(g) The Permittee shall not solicit business in the public areas of the Airport and shall not at any time use any electric amplifying devices or hand megaphones whatsoever.

15. Labor Disturbances:

(a) (1) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(2) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(b) If any type of strike or other labor activity is directed against the Permittee at the Airport or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Airport or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

16. The City Lease:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(1) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(2) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security and other deposits required under this Permit);

(3) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(4) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease;

(5) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(6) The Permittee shall use the Space in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(7) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(8) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

(c) No greater rights or privileges are hereby granted to the Permittee than the Port Authority has power to grant under the City Lease.

17. Law Compliance:

(a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Airport from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

(e) The Port Authority has agreed by a provision in the City Lease to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of improvements at the Airport and in regard to life safety, health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

18. Federal Airport Aid: The Permittee shall:

(a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefore at the Airport;

(b) Furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

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

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

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 undertaken 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 Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further 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 Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

19. Non-Discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Space, (ii) that in the construction of any improvements on, over, or under the Space and the furnishing of services thereon by it, no person on the grounds of race, creed, color national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (iii) that the Permittee shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, 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 Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee 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 Permittee, 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 Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. In the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; 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 Permittee 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 Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

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

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

employment activities covered in 14 CFR Part 152, Subpart E. The Permittee 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 Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee 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.

21. Notices: A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the cover page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's Representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

22. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission to use the Space.

23. Waiver of Trial by Jury: The Permittee hereby waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Permittee in respect of the Space and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Permit. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

24. Effect of Use and Occupancy after Expiration, Revocation or Termination: Without in any way limiting any other provision of this Permit, unless otherwise notified by the Port Authority in writing, in the event the Permittee continues its use and occupancy of the Space after the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Permit or other remedies the Port Authority may have by law or otherwise, the Permittee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Permittee shall surrender and completely vacate the Space at a rate equal to twice the monthly fee as provided for herein then in effect. Nothing herein contained shall be deemed to give the Permittee any right to continue its use and occupancy of the Space after the expiration,

revocation or termination of the effective period of the permission granted under this Permit. The Permittee acknowledges that the failure of the Permittee to surrender, vacate and yield up the Space to the Port Authority on the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

25. No Personal Liability: No Commissioner, officer, agent or employee of the Port Authority shall be charged personally by the Permittee with any liability, or held liable to it, under any term or provision of this Permit, or because of its execution or attempted execution, or because of any breach hereof.

26. No Waiver: No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

27. Construction and Application of Terms:

(a) The use of headings in this Permit is for convenience of reference only and in no way intended to define, limit or describe the scope or intent of any provision hereof.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Permit or any amendments, addendums or supplements hereto or any endorsements, exhibits, schedules or other attachments hereto.

(c) The provisions and obligations contained in any endorsements, exhibits, schedules or other attachments hereto shall have the same force and effect as if set forth in full herein.

(d) To the extent that any provisions of this Permit are in any instance to be construed in accordance with the laws of a state, the laws of the State of New York shall apply.

28. Entire Agreement: This Permit, including the attached exhibits, endorsements, schedules and other attachments, if any, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee

agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

The fees hereunder shall be due and payable on the twentieth day of the month following the calendar month in which the effective date hereof falls, and on the twentieth day of each month thereafter, provided, however, that if the permission granted hereby shall expire or be revoked or terminated effective on a date other than the last day of a calendar month, the final payment of the fees shall be due and payable within twenty (20) days after the effective date of expiration, revocation or termination except as otherwise provided herein.

Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-1517

or via the following wire transfer instructions:

Bank: Commerce Bank
Bank ABA Number: 031201360
Account Number: (Ex. 1)

or to such other address as may hereafter be substituted therefor by the Port Authority, from time to time, by notice to the Permittee.

In those parts of the Space which are open to or visible by the general public, the Permittee shall at all times maintain in a clean and orderly condition and appearance the Space, all fixtures, equipment and personal property of the Port Authority and of the Permittee which are located in or on such parts of the Space.

The Permittee shall repair, replace or rebuild all or any part of the Space and any Port Authority fixtures, equipment or personal property which is located in or on the Space and which may be damaged or destroyed by its acts or omissions or those of its employees, customers, guests, invitees or other persons doing business with it. The Port Authority shall have no duty of repair or maintenance as to the Space or any fixtures, equipment or personal property which is located in or on the Space.

The Permittee shall immediately clear all drainage and supply stoppages and partial blocks, in and in connection with any plumbing fixtures, equipment and system which are a part of or are located in or on the Space. All glass in windows and doors which are a part of or are located in or on the Space and which may be broken shall be replaced by the Permittee not later than five days after breakage or at any earlier date if so directed by the Port Authority and immediately if such replacement is necessary to protect the Space, any part thereof or any other property of the Port Authority against damage, loss or theft. The Permittee shall have no obligation under this paragraph where the condition is caused by the negligence of the Port Authority.

The Permittee shall immediately notify the Port Authority if any portion or all of the Space or any of the said Port Authority fixtures, equipment or personal property is destroyed, damaged or in need of repair, regardless of the Permittee's responsibility therefor.

The Permittee shall be the insurer of the Port Authority against the risk of loss or theft of or damage to any Port Authority fixtures, equipment and personal property which are a part of or are located in or on the Space and shall promptly replace or repair the same within five days of such loss, theft or damage.

Nothing herein contained shall relieve the Permittee of its obligations to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decorations, additions or improvements in the Space.

In the event of a partial or total destruction of the Space, the Permittee shall immediately remove any and all of its property and debris from the Space or portion thereof destroyed.

STANDARD ENDORSEMENT NO. 6.3
CARE OF SPACE
All Installations
6/24/49

In connection with any preparation, packaging, handling, transportation, storage, delivery and dispensing of food and beverages hereunder, whether at the Terminal or elsewhere, the Permittee shall comply with the following:

(a) Its employees shall wear clean, washable 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 restrooms facilities and shall keep them clean during the entire work period. No person affected with any disease in a communicable form or who is a carrier of such disease shall work or be permitted to work for the Permittee.

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

(c) Any area occupied by the Permittee and all equipment and materials used by the Permittee 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 Permittee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (which shall at no time exceed eight hours) 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 reusable containers shall be cleaned and sterilized immediately before using the same.

All packing materials, including 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.

(d) The Permittee shall daily remove from the Airport 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 and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee.

The Port Authority, by its officers, employees, representatives, contractors, licensees, and their employees, shall have the right for the benefit of the Port Authority, or the Permittee and/or for the benefit of others than the Permittee to maintain existing and future heating, water, gas, electricity, sewerage, drainage, fire protection sprinkler, ventilating, refrigerating, fuel and communication systems and other such service systems, including all tubes, pipes, lines, mains, wires, conduits and equipment on or about the Space and to enter upon the Space at all reasonable times and to make such repairs, replacements and 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, on, in or under the Space new tubes, pipes, lines, mains, wires, conduits and equipment, provided however, that the same shall be done so as to interfere as little as reasonably possible with the Permittee's operations.

Nothing contained in this Endorsement shall or shall be construed to impose upon the Port Authority any obligations so to maintain or to make repairs, replacements, alterations or additions or any liability for failure to do so.

STANDARD ENDORSEMENT NO. 11.1
MAINTENANCE OF SERVICE FACILITIES
All Facilities
7/21/49

Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including but not limited to any permits to make alterations.

In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration or revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner termination or revocation of this Permit, insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

STANDARD ENDORSEMENT NO. 14.1
DUTIES UNDER OTHER AGREEMENTS
All Facilities
7/21/49

(a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of One Thousand Five Hundred Dollars and No Cents ($1,500.00) either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, 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 Permittee, all of the terms, provisions, covenants and conditions of this Permit 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 Permittee may deposit such bonds 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 Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable 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 Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. 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 Permittee. 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 Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, 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 Permittee. The Permittee 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 Permittee. 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 Permittee. 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 Permittee 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 Standard Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee 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 Permittee of this Permit or any part thereof. The Permittee agrees that it will

not assign or encumber the deposit. The Permittee 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 hereafter 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 Permittee may at any time during the effective period of the permission under this Permit offer to deliver to the Port Authority, as security for all obligations of the Permittee under this Permit, 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, in favor of the Port Authority in the amount of One Thousand Five Hundred Dollars and No Cents ($1,500.00).

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 throughout the effective period of the permission under this Permit 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 letter. Upon notice of cancellation of a letter of credit, the Permittee 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 Standard Endorsement or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security under paragraph (a) of this Standard Endorsement. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Permit, 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 Permit on the part of the Permittee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Permittee 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 Standard Endorsement. The Permittee 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 Permit and fulfillment of the obligations of the Permittee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

SPECIAL ENDORSEMENTS

1. The Space under this Permit shall consist of the area located in the east section of the ground floor of Building 141 at the Airport, as shown in diagonal hatching and diagonal cross-hatching on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A."

2. During the effective period of this Permit, the Permittee shall have the right to use the Space for the operation of a cafeteria style restaurant for the sale of food and non-alcoholic beverages to staff of other tenants located in Building 141 at the Airport, Port Authority employees and other Airport employees with access to Building 141 at the Airport and for no other purpose whatsoever.

3. (a) The Permittee shall pay to the Port Authority a basic percentage fee of (Ex. 2.a.) of its Gross Receipts. The Permittee shall pay the basic percentage fee in accordance with and subject to the terms of Standard Endorsement 2.2 hereof.

(b) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Permittee's operations at the Airport; provided, however, there shall be excluded from Gross Receipts, any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee.

4. (a) The Permittee shall sell only such items of merchandise and/or render only such services as may be approved in writing from time to time by the Port Authority. The Port Authority may at any time and from time to time withdraw its approval as to any items or services without affecting the continuance of this Permit.

(b) The Permittee shall furnish all merchandise and/or all services, at reasonable prices and at the times and in a manner that will be fully satisfactory to the public and to the Port Authority. All prices charged by the Permittee shall be subject to the prior written approval of the Port Authority, provided, however, that such approval will not be withheld if the proposed prices do not exceed reasonable prices for similar merchandise and/or services in the municipality in which the Airport is located. The Permittee shall remain open for and conduct business during such hours of the day and on such days of the week as may properly serve the needs of the public. The Port Authority's determination of reasonable prices and proper business hours and days shall control.

(c) The Permittee shall comply with the Port Authority Aviation Department Street Pricing Policy. In connection therewith, the Permittee shall not charge prices to its customers in excess of "Street Prices," which for purpose of this Permit is defined as follows:

(1) If the Permittee conducts a similar business operation permitted under this Permit in off-airport locations in the Greater New York City-Northern

New jersey Metropolitan Area (herein referred to as the "Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area;

(2) If the Permittee does not conduct a similar business to the business operation permitted under this Permit in off-airport locations in the Metro Area, "Street Prices" shall mean the average price regularly charged in the Metro Area by similar retailers for the same or similar item; and

(3) If neither the Permittee not other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area.

The Permittee's breach of the aforesaid Street Pricing Policy shall be deemed a material breach of the Permittee's obligations under this Permit.

The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy," such notice to be clearly visible and unobstructed. If the Permittee charges any price to a customer in excess of the price which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge which shall, upon demand by the Port Authority or the Permittee's customer, be promptly refunded to the customer.

5. (a) Except as hereinafter provided in this Permit, the Port Authority shall, without additional charge, furnish the following to the Permittee in the enclosed portion of the Space:

(i) Heat, to an even and comfortable working temperature during the months of November to April, inclusive;

(ii) Electricity for illumination only by which is meant the energizing of incandescent and fluorescent bulbs (to be supplied by the Permittee) through existing wires, conduits and outlets, if any;

(iii) Hot and cold water through existing pipes, the hot water to be heated to a temperature of 120° Fahrenheit; and

(iv) Air conditioning to an even and comfortable working temperature during the months of May to October, inclusive.

(b) The Port Authority shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Permittee.

(c) The Permittee shall pay the Port Authority upon demand the actual cost of extermination service, if any, provided by the Port Authority in the enclosed portion of the Space. This paragraph does not impose an obligation on the Port Authority to furnish such service.

(d) The Port Authority shall be under no obligation to furnish any of the above services if and to the extent and during any period that the furnishing of any of such services or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency.

(e) Any failure, delay or interruption, including without limitation thereto any failure, delay or interruption under the preceding paragraph of this Special Endorsement, in supplying agreed services whether or not a separate charge is made therefor shall not relieve the Permittee of any obligations hereunder and (unless resulting from the negligence of the Port Authority and continuing for a period of five days after notice to the Port Authority) shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

6. (a) The Permittee in its own name as insured and including the Port Authority and the City of New York as additional insureds shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance including premises operations, completed operations and products liability, and covering bodily injury liability, including death, and property damage liability, and providing for coverage in the minimum limit set forth below. The aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protection afforded the Permittee thereunder with respect to any claim or action by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority but such endorsement shall not limit, vary, change or affect the protection afforded the Port Authority thereunder as an additional insured. In addition, all the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protection afforded the Port Authority thereunder with respect to any claim or action against the Port Authority by the Permittee shall be the same as the protection afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person as if the Port Authority were the named insured thereunder. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 8 of the Terms and Conditions of this Permit.

	Minimum Limit
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability.	$2,000,000.00

The liability policy(ies) and certificate(s) of insurance shall include a cross-liability endorsement providing severability of interests so that coverage will respond as if separate policies were in force for each insured.

Without limiting the provisions hereof, in the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with all the terms and provisions hereof.

(b) Notwithstanding any minimum insurance coverage limits set forth in the Permit it is specifically understood and agreed that the Port Authority shall have the right to review all insurance coverage and policies required by the Port Authority for adequacy of terms, conditions and limits and upon notice to the Permittee, given from time to time and at any time, to require the Permittee to amend or modify the insurance coverage, or may require such other or additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to the Port Authority.

(c) 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 upon execution and delivery of the Permit by the Permittee to the Port Authority. Each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or certificate required shall contain a provision that the insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. 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 this Permit. The aforesaid insurance shall be written by a company or 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 form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

7. The Port Authority shall have the right to take back the portion of the Space shown in diagonal hatching on Exhibit A upon sixty (60) days notice to the Permittee. Upon said notice the Permittee shall surrender such space to the Port Authority. All promises, covenants, agreements and obligations of the Permittee with respect to the surrendered space under the Permit which under the provisions thereof would have matured upon the date originally fixed in

the Permit for the expiration of the term thereof, or upon the termination of the Permit prior to the said date, or within a stated period after expiration or termination, shall, notwithstanding such provisions, mature upon the surrender date and shall survive the date of the surrender of the partial surrender provided for in this paragraph.

8. The effective date of this Permit is the date the Permittee commenced the activities permitted by this Permit. The Permittee in executing this Permit represents that the date stated as the "Effective Date" in Item 7 appearing on page 1 of this Permit is the date the Permittee commenced the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced such activities prior to said Effective Date, the effective date of this Permit and all obligations of the Permittee under this Permit shall commence on such date including, but not limited to, the Permittee's indemnity obligations and obligations to pay fees.

9. Paragraphs (a), (b) and (c) of Section 5 of the Terms and Conditions of this Permit are hereby deleted in their entirety.

10. (a) The Permittee hereby certifies that its Federal Tax identification Number is (Ex. 1) for the purposes of Standard Endorsement No. 23.1.

(b) The Permittee acknowledges and agrees that the Port Authority reserves the right, at its sole discretion, to adjust at any time and from time to time upon fifteen (15) days notice to the Permittee, the security deposit amount as set forth in Standard Endorsement No. 23.1. Not later than the effective date set forth in said notice the Permittee shall deposit with the Port Authority the new security deposit amount as set forth in said notice which new amount shall thereafter constitute the security deposit subject to said Standard Endorsement No. 23.1.

11. (a) In connection with its operations at the Airport under this Permit, the Permittee shall serve the public interest by promoting labor harmony, it being acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Airport. The Permittee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

If any type of strike, picketing, boycott, or other labor-related disruption is directed against the Permittee at the Airport, or against its operations thereat pursuant to this Permit which in the opinion of the Port Authority (i) physically interferes with the operation of the Airport, or the Space, or (ii) physically interferes with public access between the Space and any portion of the Airport, or (iii) physically interferes with the operations of other operators at the Airport, or (iv) presents a danger to the health and safety of users of the Airport, including persons employed thereat or members of the public, the Port Authority shall have the right at any time during the continuance thereof to take such actions as the Port Authority may deem appropriate including, without limitation, revocation of this Permit.

(b) The Permittee represents that, prior to or upon entering into this Permit, it has delivered to the Port Authority evidence of a signed labor peace agreement, in the form

attached hereto as Exhibit X or in the event Exhibit X is inapplicable, then a signed officer's certification to such effect in the required form provided by the Port Authority.

(c) If the Permittee's concession at the Space is of the same type (i.e., food, retail, news/gifts or duty free concession) as that of the immediately preceding concession operator at the Space (the "Predecessor Concession"), the Permittee agrees to offer continued employment for a minimum of ninety (90) days, unless there is just cause to terminate employment sooner, to employees of the Predecessor Concession who have been or will be displaced by cessation of the operations of the Predecessor Concession and who wish to work for the Permittee at the Space. The foregoing requirement shall be subject to the Permittee's commercially reasonable determination that fewer employees are required at the Space than were required by the Predecessor Concession; except, however, that the Permitttee shall retain such staff as is deemed commercially reasonable on the basis of seniority with the Predecessor Concession at the Space. The Port Authority shall have the right to demand from the Permittee documentation of the name, date of hire, and employment occupation classification of all employees covered by this provision. In the event the Permittee fails to comply with this provision, the Port Authority shall have the right at any time during the continuance thereof to take such actions as the Port Authority may deem appropriate including, without limitation, revocation of this Permit.

(d) The provisions of this Special Endorsement shall apply to concession operators which employ ten (10) or more persons at the Space.

12. The Port Authority and the Permittee were heretofore parties to Port Authority Space Permit No. AYD-550, which has been replaced with this Permit. The Permittee shall remain liable for all obligations and liabilities that accrued under Permit No. AYD-850 through the expiration or termination date of Permit No. AYD-850 and all obligations and liabilities which were expressly or impliedly stated or intended to survive the expiration or termination of said agreement shall so survive. The parties acknowledge that the Space under this Permit is the same space that was the subject of Permit No. AYD-850. Upon expiration or termination of this Permit, the Permittee shall return the Space to the Port Authority in the same condition in which such Space was delivered to the Permittee under Permit No. AYD-850.

Initialed:

For the Port Authority

For the Permittee

CH

SCHEDULE G

Airport Concession Disadvantaged Business Enterprise (ACDBE) Participation

In accordance with regulations of the US Department of Transportation 49 CFR Part 23, the Port Authority has implemented an Airport Concession Disadvantaged Business Enterprise (ACDBE) program under which qualified firms may have the opportunity to operate an airport business. The Port Authority has established an ACDBE participation goal, as measured by the total estimated annual gross receipts for the overall concession program. The goal is modified from time to time and posted on the Port Authority's website: www.panynj.gov.

The overall ACDBE goal is a key element of the Port Authority's concession program and Concessionaire shall take all necessary and reasonable steps to comply with the requirements of the Port Authority's ACDBE program. The Concessionaire commits to making good faith efforts to achieve the ACDBE goal. Pursuant to 49 CFR 23.25 (f), ACDBE participation must be, to the greatest extent practicable, in the form of direct ownership, management and operation of the concession or the ownership, management and operation of specific concession locations through subleases. The Port Authority will also consider participation through joint ventures in which ACDBEs control a distinct portion of the joint venture business and/or purchase of goods and services from ACDBEs. In connection with the aforesaid good faith efforts, as to those matters contracted out by the Concessionaire in its performance of this agreement, the Concessionaire shall use, to the maximum extent feasible and consistent with the Concessionaire's exercise of good business judgment including without limit the consideration of cost competitiveness, a good faith effort to meet the Port Authority's goals. Information regarding specific good faith steps can be found in the Port Authority's ACDBE Program located on its above-referenced website. In addition, the Concessionaire shall keep such records as shall enable the Port Authority to comply with its obligations under 49 CFR Part 23 regarding efforts to offer opportunities to ACDBEs.

Qualification as an ACDBE

To qualify as an ACDBE, the firm must meet the definition set forth below and be certified by the New York State or New Jersey Uniform Certification Program (UCP). The New York State UCP directory is available on-line at www.nysucp.net and the New Jersey UCP at www.njucp.net.

An ACDBE must be a small business concern whose average annual receipts for the preceding three (3) fiscal years does not exceed $47.78 million and it must be (a) at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals, or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially or economically disadvantaged individuals who own it. The personal net worth standard used in determining eligibility for purposes of part 23 is $750,000.

The ACDBE may, if other qualifications are met, be a franchisee of a franchisor. An airport concession is a for-profit business enterprise, located on an airport, which is subject to the Code of Federal Regulations 49 Part 23, subpart F, that is engaged in the sale of consumer goods or services to the public under an agreement with the sponsor, another concessionaire, or the owner or operator of a terminal, if other than the sponsor. The Port Authority makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are "socially and economically disadvantaged":

a. Women;

b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;

c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;

d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;

e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;

f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and

g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

Other individuals may be found to be socially and economically disadvantaged on a case-by-case basis. For example, a disabled Vietnam veteran, an Appalachian white male, or another person may claim to be disadvantaged. If such individual requests that his or her firm be certified as ACDBE, the Port Authority, as a certifying partner in the New York State and New Jersey UCPs will determine whether the individual is socially or economically disadvantaged under the criteria established by the Federal Government. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but which the

Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, 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 designate from time to time. Contact OBJOcert@panynj.gov for inquiries or assistance.

General

In the event the signatory to this agreement is a Port Authority permittee, the term Concessionaire shall mean the Permittee herein. In the event the signatory to this agreement is a Port Authority lessee, the term Concessionaire shall mean the Lessee herein.

For the Port Authority

Initialed:

C.H.

For the Permittee

:This Space for Port Authority Use Only :
:
:Permit Number AYE-263 :

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

JOHN F. KENNEDY INTERNATIONAL AIRPORT
SPACE PERMIT

The Port Authority of New York and New Jersey (herein called the "**Port Authority**") hereby grants to the Permittee hereinafter named permission to use and occupy the following described space (hereinafter referred to as the "**Space**") at John F. Kennedy International Airport (hereinafter called the "**Airport**") for the purposes hereinafter specified and purposes incidental thereto in accordance with the Terms and Conditions hereof; and said Permittee agrees to pay the fee or fees hereinafter specified and to perform all other obligations imposed upon it in said Terms and Conditions.

1. PERMITTEE: PREMIER AIR COURIER INTERNATIONAL CORP., a New York corporation

2. PERMITTEE'S ADDRESS: Building 141 JFK International Airport
Jamaica, New York 11430

3. PERMITTEE'S REPRESENTATIVE: Vincenzo Farella VIII

4. SPACE: As set forth in Special Endorsement No. 1.

5. PURPOSES: As set forth in Special Endorsement No 2 hereof.

6. FEES: As set forth in Special Endorsement No. 3 hereof.

7. EFFECTIVE DATE: January 1, 2013

8. EXPIRATION DATE: December 31, 2017

9. ENDORSEMENTS: Standard Endorsements 11.1 and 14.1, Special Endorsements, Exhibit A and Insurance Schedule.

Dated: As of January 1, 2013

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan (Please Print Clearly)

(Title) Assistant Director Business, Properties & Airport Development

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:

LLF/NE

PREMIER AIR COURIER INTERNATIONAL CORP.
Permittee

By _____

Name VINCE FARELLA (Please Print Clearly)

(Title) PRESIDENT

TERMS AND CONDITIONS

1. Certain Definitions:

(a) **"Airport"** shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property and premises as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) **"City"** shall mean The City of New York, a municipal corporation of the State of New York.

(c) **"City Lease"** shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) **"Effective Date"** shall mean the date designated as the "Effective Date" in Item 7 on the cover page of this Permit.

(e) **"Executive Director"** shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(f) **"Expiration Date"** shall mean the date designated as the "Expiration Date" in Item 8 on the cover page of this Permit.

(g) **"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 Manager by this Permit; until further notice from the Port Authority to the Permittee it shall mean the General Manager or the Acting General Manager of John F. Kennedy International Airport for the time being, or his duly designated representative or representatives.

(h) **"Hazardous Substance"** shall mean any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and substances declared to be hazardous or toxic or the removal, containment or restriction 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 hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

(i) **"Permittee's Representative"** shall mean the individual named in Item 3 on the cover page of this Permit or such other individual as the Permittee may designate by notice in accordance with the provisions of Section 21 below, entitled "*Notices*".

2. Effectiveness:

(a) The permission granted by this Permit shall take effect upon the Effective Date. Notwithstanding any other term or condition hereof, it may at any time be revoked by the Port Authority without cause upon thirty (30) days' prior notice, and terminated by the Permittee without cause upon thirty (30) days' prior notice; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee fails to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including without limitation the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair or restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), the care and maintenance of such space during any period of non-use of the space, 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), repairing the space and putting the space in order (such as but not limited to repairing, cleaning and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

(b) No exercise by the Port Authority of any right of revocation granted to it in this Section shall be deemed to be a waiver of any other rights of revocation contained in this Section or elsewhere in this Permit or a waiver of any other rights or remedies which may be available to the Port Authority under this Permit or otherwise.

(c) The permission hereby granted shall in any event terminate with the expiration or termination of the City Lease.

3. Use of Space by Permittee:

(a) The Space shall be used, pursuant to the permission hereby granted,

(1) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees,

(2) if the Permittee is an unincorporated association, or a "Massachusetts" or business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees,

(3) if the Permittee is a partnership, by the Permittee acting only through the medium of its general partners and employees, or

(4) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(5) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees; and the Permittee shall not, without the written approval of the Port Authority, use the Space through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or the permission granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority. In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

(b) The Permittee's Representative specified in Item 3 of the cover page of this Permit (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any act or things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension hereof and to give and receive notices hereunder.

(c) This Permit shall not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever.

(d) The Permittee hereby agrees that it will not carry on any business or operation in the Space or at the Airport other than as specifically provided herein without receiving the prior written consent of the Port Authority, which consent, if given, will be in the form of a Supplement hereto or a separate agreement with the Port Authority, which consent will specify whether the provisions regarding fees contained herein or any other provisions regarding fees shall apply thereto.

4. Condition of Space:

(a) The Permittee hereby acknowledges that prior to the execution of this Permit it has thoroughly examined and inspected the Space and has found the Space in good order and repair and has determined the Space to be suitable for the Permittee's operations hereunder and acknowledges and agrees that it has not relied on any representations or statements of the Port Authority, its Commissioners, officers, employees or agents as to the condition or suitability thereof for use by the Permittee for the purposes contemplated herein. The Permittee agrees to and shall take the Space in its "as is" condition and the Port Authority shall have no obligation hereunder for preparation of the Space for the Permittee's use. The Permittee agrees that no portion of the Space will be used initially or at any time during the effective period of the permission granted hereunder which is in a condition unsafe or improper for the purposes contemplated herein so that there is possibility of injury or damage to life or property and the Permittee further agrees that before any use it will immediately correct any such unsafe or improper condition.

(b) Except to the extent required for the performance of any of the obligations of the Permittee under this Permit, nothing contained in this Permit shall grant to the Permittee any rights whatsoever in the air space above the height of the structures located on the Space as of the Effective Date hereof.

(c) The parties to this Permit hereby acknowledge that the Space is non-residential real estate.

5. Payment of Fees:

(a) Unless otherwise expressly provided in this Permit, the Permittee shall pay to the Port Authority a fee for its use and occupancy of the Space. The fee specified is a monthly fee, payable in advance on the Effective Date and on the first day of each and every calendar month thereafter.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions:

Bank: TD Bank
Bank ABA Number: 031201360
Account Number: (Ex. 1)

or sent to such other address, or pursuant to such other wire transfer instructions, as may hereafter be substituted therefor by the Port Authority, from time to time, by notice to the Permittee.

(c) If the permission granted hereunder becomes effective on a date other than the first day of a calendar month or expires or is revoked or terminated on a date other than the last day of a calendar month, the fee payable for the part of the month during which the permission is in effect shall be computed by prorating the monthly fee on a daily basis, using the exact number of days in the month involved.

(d) Upon execution of this Permit by the Permittee, the Permittee shall pay to the Port Authority all unpaid fees and other monies due and payable under this Permit as of the date of execution.

6. Late and Service Charges:

(a) If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority 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 (hereinbelow 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 (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) 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 (15) (but not less than thirteen (13)) 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 audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. 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 to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. 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 Permit, including without limitation the Port Authority's rights set forth in Section 2 hereof or (ii) any obligations of the Permittee under this Permit. 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 Permit shall be payable instead at such legal maximum.

(b) The Permittee shall permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit and for one (1) year thereafter the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant in connection with the Permittee's use and occupancy of the Space as permitted hereunder within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any such corporate records and books of account.

7. Security Deposit: If the Permittee is obligated by any other agreement to maintain a security deposit with the Port Authority to insure payment and performance by the Permittee of all fees, rentals, charges and obligations which may become due and owing to the Port Authority arising from the Permittee's operations at the Airport pursuant to any such other agreement or otherwise, then all such obligations under such other agreement and any deposit pursuant thereto also shall be deemed obligations of the Permittee under this Permit and as security hereunder as well as under any such other agreement and all provisions of such other agreement with respect to such obligations and any obligations thereunder of the Port Authority as to the security deposit are hereby incorporated herein by this reference as though fully set forth herein and hereby made a part hereof. The termination, revocation, cancellation or expiration of any other agreement to which such security shall apply or any permitted assignment of such other agreement shall not affect such obligations as to such security which shall continue in full force and effect hereunder.

8. Indemnification of Port Authority:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and 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 of the operations, acts or omissions of the Permittee hereunder, including claims and demands of the City against the Port Authority pursuant to the provisions of the City Lease.

(b) The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any way connected with this Permit. Without in any way limiting its obligations under the preceding paragraph (a) hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

(c) If so directed, the Permittee shall at its own expense defend any suit based on any claim or demand referred to in the foregoing paragraphs (a) or (b) (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining the prior written consent of 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 governmental nature or the provisions of any statutes respecting the Port Authority.

(d) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

9. Right of Entry Reserved: The Port Authority shall have the right at any time and as often as it considers necessary, to inspect the Space and (without any obligation so to do) to enter thereon to make ordinary repairs, and in the event of emergency to take such action therein as may be required for the protection of persons or property.

10. Rules and Regulations: The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

11. Conduct of Operations:

(a) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designations, approvals, substitutions or redesignations given by it hereunder.

(b) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(c) Unless otherwise expressly provided, the Permittee shall not install any vending machines or similar devices in the Space or use the Space (or permit it to be used) for the sale to its employees or to the public of any of the following goods and services: beverages, food, candy, gum, ice cream or ice cream products, tobacco or tobacco products, periodicals, books, drugs, toys, games, souvenirs, jewelry, novelties, clothing, flowers, sporting or photographic goods, toilet articles, theatre tickets, shoe shines, pressing and cleaning (except of its employees' uniforms), developing and printing of photographs and films or baggage-checking. The specificity of the foregoing enumeration of disallowed activities shall not be deemed to infer that any particular activities not so enumerated are permitted under this Permit.

(d) No signs, posters or similar devices shall be erected, displayed or maintained in view of the general public in or about the Space without the written approval of the General Manager of the Airport; and any not approved by him may be removed by the Port Authority at the expense of the Permittee. The Permittee shall not display, or permit the display of, advertising of third parties in the Space.

(e) The Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Airport, except in regular parking areas upon payment of regular charges therefor.

(f) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the approval of the General Manager. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(g) The Permittee shall daily remove from the Airport 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 the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying

the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. 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 the waters at or bounding the Airport.

(h) The Permittee shall at all times maintain the Space in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas of the Space. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas of the Space which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, agents or contractors except for reasonable wear and tear arising out of its use and occupancy thereof.

12. Permittee Property:

(a) The personal property placed or installed by the Permittee in the Space shall remain the property of the Permittee and must be removed on or before the Expiration Date or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration, termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable. Any excess of the total cost of removal, storage and sale over the proceeds of sale shall be paid by the Permittee to the Port Authority upon demand.

13. Prohibited Acts:

(a) The Permittee 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 New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(1) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(2) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(3) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(4) may cause or produce upon the Airport any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(5) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Airport, or

(6) shall constitute a nuisance in or on the Airport or which may result in the creation, commission or maintenance of a nuisance in or on the Airport.

(c) For purposes of this Section, "Airport" includes all structures located thereon.

14. Specifically Prohibited Activities:

(a) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers at the Airport.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. Any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee be completely removed and/or remediated by the Permittee at its sole cost and expense.

(c) The Permittee shall not operate any engine or any item of automotive equipment in the Space without adequate ventilation.

(d) The Permittee shall not use any cleaning materials having a harmful or corrosive effect in the Space.

(e) The Permittee shall not fuel or defuel any equipment in the Space or elsewhere at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(f) The Permittee shall not start or operate any engine or any item of automotive equipment in the Space unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

(g) The Permittee shall not solicit business in the public areas of the Airport and shall not at any time use any electric amplifying devices or hand megaphones whatsoever.

15. Labor Disturbances:

(a) Labor Disputes

(1) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(2) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(b) If any type of strike or other labor activity is directed against the Permittee at the Airport or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Airport or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

16. The City Lease:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(1) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(2) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security and other deposits required under this Permit);

(3) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(4) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(5) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(6) The Permittee shall use the Space in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(7) The failure of the Permittee to comply with the foregoing provisions shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(8) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

(c) No greater rights or privileges are hereby granted to the Permittee than the Port Authority has power to grant under the City Lease.

17. Law Compliance:

(a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Airport from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and

property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

(e) The Port Authority has agreed by a provision in the City Lease to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of improvements at the Airport and in regard to life safety, health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

18. Federal Airport Aid: The Permittee shall:

(a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(b) Furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

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

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

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 undertaken 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 Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further 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 Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

19. Non-Discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Space, (ii) that in the construction of any improvements on, over, or under the Space and the furnishing of services thereon by it, no person on the grounds of race, creed, color national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (iii) that the Permittee shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, 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 Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee 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 Permittee, 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 Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. In the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; 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 Permittee 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 Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

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

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

activities covered in 14 CFR Part 152, Subpart E. The Permittee 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 Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee 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.

21. Notices: A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the cover page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's Representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

22. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission to use the Space.

23. Counterclaims: The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

24. Effect of Use and Occupancy after Expiration, Revocation or Termination:

(a) Notwithstanding any other provision in this Permit, in the event that the Permittee shall continue to use the Space after the expiration or earlier termination of the period of permission of this Permit, such continuation of use shall not be deemed to operate as a renewal or extension of this Permit but shall only create a month-to-month extension of this Permit, which extension shall be terminable on thirty (30) days' notice.

(b) The Permittee acknowledges that the failure of the Permittee to surrender, vacate and yield up the Space to the Port Authority on the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

25. No Personal Liability: No Commissioner, director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

26. No Waiver: No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

27. Construction and Application of Terms:

(a) The use of headings in this Permit is for convenience of reference only and in no way intended to define, limit or describe the scope or intent of any provision hereof.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Permit or any amendments, addendums or supplements hereto or any endorsements, exhibits, schedules or other attachments hereto.

(c) The provisions and obligations contained in any endorsements, exhibits, schedules or other attachments hereto shall have the same force and effect as if set forth in full herein.

28. Governing Law:

This Permit and any claim, dispute or controversy arising out of, under or related to this Permit, the relationship of the parties hereunder, and/or the interpretation and enforcement of the rights and obligation of the parties hereunder shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

29. Entire Agreement:

This Permit, including the attached exhibits, endorsements, schedules and other attachments, if any, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

The Port Authority, by its officers, employees, representatives, contractors, licensees, and their employees, shall have the right for the benefit of the Port Authority, or the Permittee and/or for the benefit of others than the Permittee to maintain existing and future heating, water, gas, electricity, sewerage, drainage, fire protection sprinkler, ventilating, refrigerating, fuel and communication systems and other such service systems, including all tubes, pipes, lines, mains, wires, conduits and equipment on or about the Space and to enter upon the Space at all reasonable times and to make such repairs, replacements and 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, on, in or under the Space new tubes, pipes, lines, mains, wires, conduits and equipment, provided however, that the same shall be done so as to interfere as little as reasonably possible with the Permittee's operations.

Nothing contained in this Endorsement shall or shall be construed to impose upon the Port Authority any obligations so to maintain or to make repairs, replacements, alterations or additions or any liability for failure to do so.

STANDARD ENDORSEMENT NO. 11.1
MAINTENANCE OF SERVICE FACILITIES
All Facilities
7/21/49

Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including but not limited to any permits to make alterations.

In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration or revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner termination or revocation of this Permit, insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

STANDARD ENDORSEMENT NO. 14.1
DUTIES UNDER OTHER AGREEMENTS
All Facilities
7/21/49

SPECIAL ENDORSEMENTS

1. **The Space**. The Space under the Permit shall consist of that portion of Building 141 at the Airport as shown in diagonal hatching ("Area A") on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A," and the open areas contiguous to Building 141 as shown in stipple and in cross-hatching ("Area B") on Exhibit A.

2. **Use**. Without limiting the generality of the Section of the Terms and Conditions of this Permit entitled "*Use of Space by Permittee*", the Permittee shall use Area A for general administrative and clerical office space, warehouse and Area B for exclusive parking for vehicles associated with the Permittee's buisiness and for no other purpose or purposes whatsoever.

3. **Fee**. (a) As used in paragraphs (b) and (c) of this paragraph:

(1) "Index" shall mean the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) "Base Period" shall mean the calendar month of October 2012.

(3) "Adjustment Period" shall mean, as the context requires, the calendar month of October 2013 and the calendar month of September of every calendar year which thereafter occurs during the period of permission granted under this Permit.

(4) "Anniversary Date" shall mean, as the context requires, January 1, 2014 (the "First Anniversary Date"), and January 1 of every calendar year which thereafter occurs during the period of permission granted under this Permit.

(5) "Percentage Increase" shall mean the percentage of increase in the Index on each Anniversary Date, equal to: (x) with respect to the First Anniversary Date, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the Base Period, and the denominator shall be the Index for the Base Period, and (y) with respect to each Anniversary Date thereafter, a fraction of which the numerator shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the next preceding Adjustment Period, and the denominator shall be the Index for such next preceding Adjustment Period (for example, the Percentage Increase for the Anniversary Date that is January 1, 2014 would be a fraction of which the numerator is the Index for October 2013 less the Index for October 2012 and the denominator is the Index for October 2012).

(b) Area A Rental

(1) For the period from January 1, 2013 through December 31, 2013, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of payable in advance in equal monthly installments, each in the amount of (Ex. 2.a.) on January 1, 2013 and on the first day of each and every calendar month for the entire period.

(2) For the period from January 1, 2014 through December 31, 2014, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area

A in the amount of (Ex. 2.a.)
payable in advance in equal monthly installments, each in the amount of
on January 1, 2014 and on the first day of each and every calendar month for the entire period.

(3) For the period from January 1, 2015 through December 31, 2015, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of (Ex. 2.a.)
payable in advance in equal monthly installments, each in the amount of
on January 1, 2015 and on the first day of each and every calendar month for the entire period.

(4) For the period from January 1, 2016 through December 31, 2016, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of
payable in advance in equal monthly installments, each in the amount of (Ex. 2.a.)
on January 1, 2016 and on the first day of each and every calendar month for the entire period.

(5) For the period from January 1, 2017 through December 31, 2017, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area A in the amount of
payable in advance in equal monthly installments, each in the amount of
on January 1, 2017 and on the first day of each and every calendar month for the entire period.

(c) Area B Rental

(1) For the period from January 1, 2013 through December 31, 2013, both dates inclusive, the Permittee shall pay to the Port Authority an annual basic fee for Area B in the amount of (Ex. 2.a)
in advance in equal monthly installments, each in the amount of (Ex. 2.a)
on January 1, 2013 and on the first day of each and every calendar month for the entire period.

(2) Commencing on each Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of the period of permission granted under the Permit, as the case may be,

(i) the sum of (x) the basic fee payable immediately prior to such Anniversary Date, including all amounts included therein as a result of prior adjustment thereof pursuant to the provisions of this Special Endorsement and (y) the product obtained by multiplying such basic fee by one-half of the Percentage Increase for such Anniversary Date, or

(ii) the sum obtained by adding to the basic fee payable immediately prior to such Anniversary Date, including all amounts included therein as a result of prior adjustments thereof pursuant to the provisions of this subparagraph, the product obtained by multiplying such basic fee by four percent (4%).

(d) In the event the Index to be used in computing any adjustment referred

to in paragraphs (b) and (c) of this Special Endorsement is not available on the effective date of such adjustment, the Permittee shall continue to pay the basic fee at the annual rate then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest preceding month then published to constitute the specified Index. In the event the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100), then for the purposes hereof there shall be substituted for the Index such other appropriate index or indices properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority in its discretion determine.

If after an adjustment in the basic fee shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the basic fee adjustment for that period shall be recomputed, and from and after notification of the change or adjustment, the Permittee shall make payments based upon the recomputed basic fee and upon demand shall pay any excess in the basic fee due for such period as recomputed over amounts theretofore actually paid on account of the basic fee for such period.

If any adjustment in the basic fee referred to in paragraphs (b) and (c) of this Special Endorsement is effective on a day other than the first day of a calendar month, there shall be payable in advance on the effective date of the fee adjustment an installment of the basic fee equal to 1/12th of the increment of the annual basic fee as adjusted multiplied by a fraction, the numerator of which shall be the number of days from the effective date of the fee adjustment to the end of the calendar month in which the fee adjustment was effective and the denominator of which shall be the number of days in that calendar month.

4. **Security Deposit**.

(a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of Seven Thousand Dollars and No Cents ($7,000.00) either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, 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 Permittee, all of the terms, provisions, covenants and conditions of this Permit 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 Permittee may deposit such bonds 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 Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable 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 Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. 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 Permittee. 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 Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, 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 Permittee. The Permittee 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 Permittee. 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 Permittee. 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 Permittee 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 Standard Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee 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 Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee 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 hereafter 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 Permittee hereby certifies that its Federal Tax Identification Number is
(Ex. 1) for the purposes of this Special Endorsement.

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, at its sole discretion, to adjust at any time and from time to time upon fifteen (15) days notice to the Permittee, the security deposit amount as set forth in paragraph (a). Not later than the effective date set forth in said notice the Permittee shall deposit with the Port Authority the new security deposit amount as set forth in and in such form as requested by said notice which new amount (including without limitation an amendment to or a replacement of the letter of credit) shall thereafter constitute the security deposit subject to this Special Endorsement.

5. **Condition of the Space.**

(a) As used in this Permit "**Environmental Damages**" shall mean any one or more of the following: (i) the presence in, on, or under the Space of any Hazardous Substance whether such presence occurred prior to or during the period of permission under this Permit or resulted from any act or omission of the Permittee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Space or of any Hazardous Substance from under the Space and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (a) the Permittee's use and occupancy of the Space or the performance of any work or activities at the Space or (b) a migration of a Hazardous Substance from the Space or from under the Space or (c) the Permittee'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 Space and/or the activities thereon.

(b) The Permittee hereby acknowledges that it has agreed to accept the Space in its present condition and shall pay for all costs and expenses to prepare the Space for the purposes permitted hereunder, all in accordance with all of the provisions of this Permit. In addition, upon the expiration or earlier termination or revocation of this Permit, the Permittee shall restore the Space to the same condition as the Space existed upon the Effective Date hereof. Further, the Permittee has examined the Space and the various means of ingress thereto and egress therefrom and acknowledges that it has been advised that such means of ingress and egress may be regularly used by the public and other permittees, licensees and lessees of the Port Authority and others whose vehicles and employees may be admitted to the Airport under various arrangements with the Port Authority, but for whose acts the Port Authority is not responsible.

(c) The Permittee hereby 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 Space. The Permittee prior to the execution of this Permit, has thoroughly examined the Space and determined it to be suitable for the Permittee's operations under the Permit and the Permittee hereby agrees to take aforesaid area in the condition it is in as of the Effective Date and to relieve the Port Authority from and 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 whether any aspect of such condition existed prior to, on or after the Effective Date, including without limitation all Environmental Requirements (as defined in this Permit) and all Environmental Damages (as defined in this Permit) and to indemnify and hold harmless the Port Authority for all such risks, responsibilities, costs and expenses; provided, however, but without limiting the provisions of paragraph (a) of this Special Endorsement, it is agreed that as to environmental contamination or contaminants existing in or at the Space prior to the Effective Date ("**Prior Contaminants**"), all of the foregoing responsibilities, risks, costs and expenses assumed by the Permittee shall obtain and apply only where any such Prior Contaminants (i) were caused by the Permittee or any of its agents, contractors, representatives or subusers, or (ii) placed or introduced in, on or at the Space by the Permittee or any of its agents, contractors, representatives or subusers or (iii) resulted or arose from the Permittee's use or occupancy of, or operations at, the Space or any portion thereof, or any of its agents', contractors', representatives' or subusers' use or occupancy of,

or operations at, the Space, or any portion thereof, whether under any of the Permit, the prior permit, the prior subuse agreement or otherwise or (iv) resulted from the Permittee's use (or any of its agents', contractors', representatives' or subusers' use) of any of the above or below ground storage tanks whether under the Permit or otherwise, or (v) resulted or arose from any act or omission of the Permittee or of any of its agents, contractors or representatives or subusers, or (vi) are not at any time accessible for remediation, removal or cleanup by the prior permittee or by the Port Authority or its designees or others due to any act or omission, interruption, obstruction or hindrance by the Permittee or any of its agents, contractors or representatives or subusers including but not limited to any refusal or failure by the Permittee or any of its agents, contractors or representatives or subusers to grant or allow full and complete access to the Space or any portion thereof to the prior permittee or to the Port Authority or others. Neither said access nor any such work by the Port Authority or others nor any approval or consent granted to others to perform such work shall result in or entitle the Permittee to any abatement, reduction, diminution or suspension of any of the fees or charges under this Permit.

(d) In addition to and without limiting the foregoing in the event that the Port Authority asserts at any time or from time to time that the Permittee is responsible, as aforesaid, for any such Prior Contaminants and/or the remediation, removal and cleanup thereof, the Permittee shall have the burden of proof, to the reasonable satisfaction of the Port Authority, that the Permittee is not so responsible under the criteria set forth in the foregoing proviso of the immediately preceding paragraph.

(e) It is hereby understood and agreed that whenever reference is made in this Permit to the condition of the Space as of the Effective Date, the same shall be deemed to mean the condition of the Space as of the Effective Date except as to the improvements made and the alteration work performed during the period of the permission granted under this Permit the same shall be deemed to mean the condition existing after the completion of the same.

(f) All the obligations of the Permittee under the Permit with respect to the aforesaid responsibilities, risks, costs and expenses assumed by the Permittee shall survive the expiration, termination or revocation of the Permit.

6. **Hazardous Materials**. The Permittee shall comply with all environmental laws, rules, regulations, requirements, orders and directions, and shall obtain all licenses, certificates, permits, approvals or other authorizations from appropriate environmental authorities in connection with its operations under this Permit. The Permittee acknowledges that it is solely responsible for ensuring that any materials brought onto the Space or the Facility are free of contaminants or hazardous materials, substances or waste either alone or by combination thereof, and shall be solely responsible at its own expense for the cleaning, removal or remediation of the Space or the Facility and adjacent areas which may be required as a result of the Permittee's failure to comply with the foregoing or as a result of its operations under this Permit, which cleaning, removal or remediation shall be pursuant to and in accordance with all applicable environmental laws, rules, regulations, requirements, orders and directions. The Permittee understands and agrees that its indemnification and hold harmless obligations under the Section of the Terms and Conditions of this Permit entitled "*Indemnification of Port Authority*" shall extend to and include all claims and demands of any kind whatsoever arising out of or in connection with the Permittee's introduction onto the Space or the

Facility of contaminates or hazardous materials, substances or waste or any breach of its obligations under this Special Endorsement or any other provision of this Permit.

7. **Care, Maintenance, Repair and Rebuilding by the Permittee.**

The Permittee shall, throughout the period of permission under the Permit, assume the entire responsibility for, shall perform and shall relieve the Port Authority from all responsibility for all repair, replacement, rebuilding and maintenance whatsoever in the Space, whether such repair, replacement, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise.

8. **Construction by the Permittee.**

(a) The Permittee shall not erect any structures, make any improvements or do any construction on the Space or alter, modify, or make additions, improvements or repairs to or replacements of any structure existing at the Effective Date of the Permit or built at any time during the period of the permission hereunder, or install any fixture (other than trade fixtures, removable without material damage to the Space, any such damage to be immediately repaired by the Permittee) 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 Permittee 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 Permittee to comply with such notice, the Port Authority may effect the removal or change and the Permittee shall pay the cost thereof to the Port Authority.

(b) Notwithstanding the obligation of maintenance imposed upon the Permittee under the Permit, the Permittee shall not make any repairs or replacements (except emergency repairs or replacements) unless and until it has first obtained an approved Port Authority alteration application pursuant to and in compliance with the Tenant Construction and Alteration process for such repairs or replacements which shall then be performed in full accordance with the terms of said alteration application.

9. **Services to the Permittee.**

The Port Authority shall, without additional charge, furnish the following to the Permittee in the enclosed portion of the Space:

(a) Subject to the provisions of this Endorsement, the Port Authority shall provide heat during the heating season in the enclosed portion of the Space to a temperature reasonably adequate for personnel engaged in; and

(b) Electricity for illumination only, by which is meant the energizing of incandescent and fluorescent bulbs (to be supplied by the Permittee) through existing wires, conduits and outlets, if any.

(c) The Port Authority shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Permittee.

(d) The Permittee shall pay the Port Authority upon demand the actual cost of extermination service, if any, provided by the Port Authority in the enclosed portion of the Space. This paragraph does not impose an obligation on the Port Authority to furnish such service.

(e) The Port Authority shall, throughout the period of permission under the Permit, assume the entire responsibility for all repair, replacement, rebuilding and maintenance whatsoever in the common areas used by all tenants in Building 141, whether such repair, replacement, rebuilding or maintenance be ordinary or extraordinary, partial or entire, inside or outside, foreseen or unforeseen, structural or otherwise.

Any failure, delay or interruption in supplying agreed services (whether or not a separate charge is made therefor) shall not relieve the Permittee of any obligations hereunder and (unless resulting from the negligence of the Port Authority and continuing for a period of five days after notice to the Port Authority) shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

10. **Personal Property**. Without limiting the generality of any of the provisions of this Permit, the Port Authority shall have no liability of any kind whatsoever for loss, theft or damage of or to any property, equipment or materials of any kind whatsoever placed or parked on the Space or elsewhere at the Airport including, but not limited to, any loss, theft or damage due to the acts or omissions of the Port Authority.

11. **Additional Prohibited Act**. Without limiting the generality of the Section of the Terms and Conditions of this Permit entitled "*Prohibited Acts,*" the Permittee shall not dispose of nor permit any one to dispose of any waste material taken from aircraft (whether liquids or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the Space except after treatment in installations or equipment included in plans and specifications submitted to and approved by the Port Authority.

12. **Liability**.

(a) The Permittee hereby acknowledges that the Port Authority shall have no responsibility to keep the Space guarded, attended, policed or patrolled at any time nor shall the Port Authority have any responsibility to ensure that others do not use or occupy the Space, or to provide any other service whatsoever in connection therewith and the Port Authority has not nor shall it be deemed to have assumed any liability, duty or obligation whatsoever, with respect to vehicles parking in the Space nor any property of the Permittee or any other person in said vehicles, and the Permittee hereby releases the Port Authority of any claims or demands of loss, theft or damage of or to the same.

(b) The Rules and Regulations of the Port Authority relating to safe and orderly operations and conduct on the public vehicular parking area shall apply to the Permittee's operations

on the Space as if the Space were a public vehicular parking area, and the Permittee's obligations in connection therewith shall be as stated in said Rules and Regulations.

13. **Ingress/Egress Indemnity**. In the use of the means of ingress and egress to and from the Space, the Permittee shall exercise a high degree of care to avoid injuries to persons and damage to property. The indemnity provided in the Section of the Terms and Conditions of this Permit entitled "*Indemnification of Port Authority*" shall cover all claims for death, personal injuries or property damages, arising out of such use, regardless of the degree of care exercised, regardless of whether such use was by the Permittee or by others with the consent of the Permittee, and regardless of whether such use was in accordance with the Rules and Regulations of the Port Authority.

14. **Certain Permittee Obligations**.

In addition to any other maintenance and repair obligations set forth herein, the Permittee shall be responsible for the following:

(a) Operations. The Permittee specifically acknowledges and agrees that it shall be responsible for any and all operations occurring at the Space, to be performed pursuant to the Rules and Regulations of the Facility and the directions of the Manager of the Facility.

(b) Infrastructure. The Permittee specifically acknowledges and agrees that it shall not perform any work on the Space or construct any structures on the Space without the prior approval of the Port Authority and shall comply with the Port Authority's Tenant Alteration Application process.

15. **No Relationship between the Parties**. Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between the Permittee and the Port Authority the relationship of bailor and bailee, the relationship of storer and garagekeeper, or any other relationship except that of licensee of space and licensor; nor shall there be created thereby any legal status which would impose upon the Port Authority with respect to any property in the Space any duty or obligation whatsoever. The Permittee expressly agrees that unless otherwise agreed in writing, the Port Authority shall have no liability with respect to any vehicle parked in the Space, or with respect to property of the Permittee or of any other person whatsoever left in or on any vehicle parked in the Space.

16. **Construction and Application of Terms**. The fact that certain of the terms and provisions hereunder are expressly stated to survive the expiration or termination of the letting hereunder does not mean nor shall be construed to mean that those provisions hereunder which are not expressly stated to survive shall terminate or expire on the expiration or termination of the letting hereunder and do not survive such termination or expiration.

17. **Miscellaneous**.

(a) The words "permission" and "privilege" are used interchangeably in this Permit, and except where expressly provided to the contrary, shall mean the privileges granted by this Permit.

(b) All remedies provided in this Permit 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 Permittee 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.

For the Port Authority

Initialed:

For the Permittee

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

INSURANCE SCHEDULE

(a) The Permittee named in the permit to which this Insurance Schedule is attached and of which it constitutes an integral part (the "**Permit**"), in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance and Commercial Automobile Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limit set forth below:

	Minimum Limits
Commercial General Liability Insurance Combined single limit per occurrence for death, bodily injury and property damage liability:	$2,000,000.00
Commercial Automobile Liability Insurance Combined single limit per occurrence for death, Bodily injury and property damage liability:	
Workers' Compensation and Employers Liability Insurance Permittee's obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to the Permit at or from the Airport:	Statutory

In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit, including without limitation this Insurance Schedule.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under this Permit.

(c) All insurance coverages and policies required under this Insurance Schedule 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 period of permission under the Permit. 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 and the Permittee shall promptly comply therewith.

(d) Each policy must be specifically endorsed to provide that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each policy shall contain a provision or endorsement that the insurer "shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of the Permit by the Permittee to the Port Authority. 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 of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance 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 Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(f) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under the Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by the Permit or any other agreement or by law.

For the Port Authority

Initialed:

For the Permittee

PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

JOHN F. KENNEDY INTERATIONAL AIRPORT

SPACE PERMIT NO. AYD-870

The Port Authority of New York and New Jersey (herein called the "***Port Authority***") hereby grants to the Permittee hereinafter named permission to use and occupy the following described space (hereinafter called the "***Space***") at the Port Authority Airport hereinafter named, for the purposes hereinafter specified and purposes incidental thereto, in accordance with the Terms and Conditions hereof and the Endorsements annexed hereto; and the Permittee agrees to pay the fees hereinafter specified and to perform all other obligations imposed upon it in the Terms and Conditions and Endorsements:

1. **PERMITTEE:** THE NEW YORK CITY BOARD OF EDUCATION, on behalf of Aviation High School

2. **PERMITTEE'S ADDRESS:** 45-30 Queens Boulevard
Long Island City, New York 11101

3. **PERMITTEE'S REPRESENTATIVE:** Eileen Taylor

5. **SPACE:** As set forth in Special Endorsement No. 1 annexed hereto.

6. **PURPOSES:** As set forth in Special Endorsement No. 2 annexed hereto.

7. **FEES:** (Ex. 2.a.)

8. **EFFECTIVE DATE:** September 1, 2008

9. **EXPIRATION:** August 31, 2017, unless sooner terminated or revoked in accordance with the Terms and Conditions hereof.

10. **ENDORSEMENTS:** Standard Endorsements 6.3, 8.0, 9.1, 9.5, 9.6, 11.1, 14.1, 15.1, 17.3, 18.1 and 19.2 and Special Endorsements

Dated as of September 1, 2008

APPROVED AS TO LEGAL SUFFICIENCY
LAW OFFICE
N.Y.C. BOARD OF EDUCATION

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: _____

Printed Name: OTAVIO KAGAN

Title: Resident Director

APPROVED
FORM
TERMS

THE NEW YORK CITY BOARD OF EDUCATION

By: _____

Printed Name: Photeine Anagnostopoulos

Title: Chief Operating Officer
for the Chancellor

TERMS AND CONDITIONS

1. Definitions:

The following terms, when and if used in this Permit, shall have the respective meanings given below:

(a) "*Airport*" shall have the meaning set forth in Standard Endorsement No. 19.2 hereof.

(b) "*Basic Lease*" shall have the meaning set forth in Standard Endorsement No. 19.2 hereof.

(c) "*City*" shall mean The City of New York, a municipal corporation of the State of New York.

(d) "*Effective Date*" shall mean the date designated as the "Effective Date" in Item 6 on the first page of this Permit.

(e) "*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 (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; and

TERMS AND CONDITIONS

(iii) The Atomic Energy Act of 1954 , 42 U.S.C. Section 2011 et. seq.; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et. seq.; the Clean Air Act, 42 U.S.C. Section 7401 et. seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et. seq.; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et. seq.; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 2701 et. seq. ; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 et. seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et. seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et. seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et. seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et. seq.; the Safe Drinking Water Act of 1974, 42 U.S.C. Sections 300f-300h-11 et. seq.; the New York State Environmental Conservation Law; the New York State Navigation Law; together, in each case, with any amendment thereto; and the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof.

(f) "*Executive Director*" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(g) "*Expiration Date*" shall mean the date designated as the "Expiration Date" in Item 7 on the first page of this Permit.

(h) "*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 General Manager by this Permit; until further notice from the Port Authority to the Permittee it shall mean the General Manager or the Acting General Manager of the Airport for the time being, or his duly designated representative or representatives.

(i) "*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

TERMS AND CONDITIONS

and by the regulations adopted and publications promulgated pursuant thereto.

(j) "*Person*" shall mean not only a natural person, corporation or other legal entity, but also two or more natural persons, corporations or other legal entities acting jointly as a firm, partnership, unincorporated association, consortium, joint adventurers or otherwise.

2. Period of Permission, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date.

(b) Notwithstanding any other term or condition hereof, the permission hereby granted may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee, provided, however, that it may be revoked on twenty-four (24) hours' notice by the Port Authority if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees.

(c) In the event the Port Authority exercises it right to revoke this Permit if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees, the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it restored), preparing such space for use by a succeeding permittee, the care and maintenance of such space during any period of non-use of the space, 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), repairing and altering the space and putting the space in order (such as but not limited to cleaning and decorating the same).

(d) For the purposes of this Permit, a default by the Permittee in keeping, performing or observing any promise, obligation, term or agreement set forth herein on the part of the Permittee to be kept, performed or observed shall include the following whether or not the time has yet arrived for the keeping, performance or observance of any such promise, obligation, term or agreement:

(i) a statement by the Permittee to any representative of the Port Authority indicating that it cannot or will not keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit;

TERMS AND CONDITIONS

(ii) any act or omission of the Permittee or any other occurrence which makes it improbable at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit; or

(iii) any suspension of or failure to proceed with any part of the privileges to be performed by the Permittee which makes it improbable at the time that it will be able to keep, perform or observe any one or more of its promises, obligations, terms or agreements under this Permit.

(e) (i) If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Permittee at the Airport or against any operations of the Permittee under this Permit, whether or not the same is due to the fault of the Permittee and whether or not caused by the employees of the Permittee, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in curtailment or diminution of the privileges to be performed hereunder by the Permittee or to interfere with or affect the operation of the Airport by the Port Authority or to interfere with or affect the operations of lessees, licensees, permittees or other users of the Airport, the Port Authority shall have the right at any time during the continuance thereof to suspend the operations of the Permittee under this Permit and to revoke this Permit. Prior to the exercise of the right of suspension by the Port Authority, it shall give the Permittee notice thereof, which notice may be oral. The Permittee shall not perform its operations authorized by this Permit during the period of the suspension. The period of suspension shall end not more than twenty-four (24) hours after the cause thereof has ceased or been cured and the Permittee shall notify the Port Authority of such cessation or cure.

(ii) In the event the Port Authority exercises its right to revoke the Permit, as aforesaid, it shall do so by twenty-four (24) hours' written notice to the Permittee, effective as of the time specified in the notice. The exercise by the Port Authority of its right of suspension shall not waive or affect or be deemed to waive or affect the right of revocation.

(iii) The rights of suspension and revocation as hereinbefore set forth may be exercised by the Port Authority prior to the Effective Date set forth in Item 6 on page 1 of the Permit. No exercise by the Port Authority of its rights granted to it in this Section 2(e) shall be or be deemed to be a waiver of any other rights of revocation contained in this Permit or a waiver of any other rights or remedies which may be available to the Port Authority under this Permit or otherwise.

(f) No revocation or termination of the permission hereunder shall relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

(g) No exercise by the Port Authority of any right of revocation granted to it in this Section 2 shall be or be deemed to be a waiver of any other rights of revocation contained in

TERMS AND CONDITIONS

this Section or elsewhere in this Permit or a waiver of any other rights or remedies which may be available to the Port Authority under this Permit or otherwise.

(h) The permission hereby granted shall in any event terminate with the expiration or termination of the Basic Lease.

3. Exercise of Rights:

(a) The rights granted hereby shall be exercised

(i) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees,

(ii) if the Permittee is an unincorporated association, or a "Massachusetts" or business trust, by the Permittee acting only through the medium of its members, trustees, officers, and employees,

(iii) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees,

(iv) if the Permittee is an individual, by the Permittee acting only personally or through the medium of its employees, and

(v) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers, and employees;

and the Permittee shall not, without the written approval of the Port Authority, use the Space through the medium of any other Person. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor. In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

(b) No greater rights or privileges are hereby granted to the Permittee than the Port Authority has power to grant under the Basic Lease.

(c) This Permit does not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever.

(d) The Permittee shall have no right hereunder to carry on any business or operation at the Airport other than that specifically provided herein.

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(e) The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Airport except as specifically provided herein.

(f) The words "permission" and "privilege" are used interchangeably in this Permit, and except where expressly provided to the contrary, shall mean the privileges granted by this Permit.

4. Security Deposit:

If the Permittee is obligated by any other agreement to maintain a security deposit with the Port Authority to insure payment and performance by the Permittee of all fees, rentals, charges and obligations which may become due and owing to the Port Authority arising from the Permittee's operations at the Airport pursuant to any such other agreement or otherwise, then all such obligations under such other agreement and any deposit pursuant thereto also shall be deemed obligations of the Permittee under this Permit and as security hereunder as well as under any such other agreement and all provisions of such other agreement with respect to such obligations and any obligations thereunder of the Port Authority as to the security deposit are hereby incorporated herein by this reference as though fully set forth herein and hereby made a part hereof. The termination, revocation, cancellation or expiration of any other agreement to which such security shall apply or any permitted assignment of such other agreement shall not affect such obligations as to such security which shall continue in full force and effect hereunder.

5. Permittee's Operations:

(a) The Permittee shall daily remove from the Airport 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 the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. 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 the waters at or bounding the Airport.

(b) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under the Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designation,

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approval, substitution or redesignation given by it hereunder.

(c) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, or damage to any property (other than the Permittee' property) at the Airport when caused by the Permittee's operations, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

(d) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification and the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the General Manager of the Airport. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(e) The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations at the Airport.

6. Indemnity:

(a) The Permittee shall indemnify and hold harmless the City of New York and the Port Authority, its Commissioners, officers, employees and representatives (each of the foregoing being hereinafter singularly referred to as an "*Indemnified Party*"), from and against (and shall reimburse each Indemnified Party for its costs and expenses including legal expenses, whether those of the Port Authority's Law Department or otherwise, 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 Permittee in performing or observing any term or provision of this Permit, or out of the use or occupancy of the Space by the Permittee or by others with its consent, or out of any other acts or omissions of the Permittee, its officers, employees, guests, representatives, customers, contractors, invitees or business visitors on the Space, or out of the operations of the Permittee hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

(b) Without limiting any other term or provision hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the

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operations of the Permittee under or in any wise connected with this Permit.

(c) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a) and (b) above (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 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.

7. Special Endorsements:

The Permittee hereby agrees to the terms and conditions of the endorsements attached hereto, hereby made a part hereof and marked "*Special Endorsements*". The terms and provisions of the Special Endorsements shall have the same force and effect and as if herein set forth in full.

8. No Waiver:

No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of the Permit shall affect or alter the Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

9. Removal of Property:

The personal property placed or installed by the Permittee at the Airport shall remain the property of the Permittee and must be removed on or before the expiration, revocation, cancellation or termination of the permission hereby granted, whichever shall be earlier. Without limiting the terms and provisions of Section 13(g) hereof, any such property remaining at the Airport after the effective date of such expiration, revocation, cancellation or termination shall be deemed abandoned by the Permittee and may be removed and disposed of by the Port Authority in any manner it so determines in its sole discretion and all the proceeds of any

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removal or disposition shall be retained by the Port Authority for its account and all costs and expenses of such removal and disposition shall be paid to the Port Authority by the Permittee when billed.

10. Permittee's Representative:

The Permittee's representative specified in Item 3 on the first page of the Permit (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit, and any act or thing done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.

11. 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 given by the Port Authority to the Permittee shall be validly given if sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, N.Y. 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee. If mailed, the notices herein required to be given shall be deemed effective and given as of the date of the certified or registered mailing thereof.

12. Rules and Regulations:

(a) The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

(b) The Permittee 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 the State of New York, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's

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failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof, or upon the contents of any building thereon, shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(c) Without limiting the foregoing, in the use of the parkways, roads, streets, bridges, corridors, hallways, stairs and other common areas of the Airport constituting a means of ingress to and egress from the Space, and also in the use of portions of the Airport to which the general public is admitted, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the Rules and Regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Airport.

13. Prohibited Acts

(a) The Permittee shall not do or permit to be done any act which

(i) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(ii) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(iii) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(iv) may cause or produce upon the Airport any unusual noxious or objectionable smokes, gases, vapors or odors, or

(v) may interfere with the effectiveness or accessibility of any drainage and sewerage system, water system, communications system, fire protection system, sprinkler system, alarm system, fire hydrant and hose, if any, installed or located or to be installed or located in or on the Airport, or

(vi) shall constitute a nuisance or injury in or on the Airport or which may result in the creation, commission or maintenance of a nuisance or injury in or on the Airport.

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For the purpose of this paragraph (a), "Airport" includes all structures located thereon.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. In addition to and without limiting Standard Endorsement No. 17.3 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Space or the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Section 13(f) hereof and all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense. The obligations of the Permittee pursuant to this Section 13(b) shall survive the expiration, revocation, cancellation or termination of the Permit.

(c) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers.

(d) (i) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(ii) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(iii) The Permittee acknowledges that it is familiar with the general and local conditions prevailing at the Airport and with the all pertinent matters and circumstances which may in any way affect performance of the privileges granted under the Permit.

(e) The Permittee shall not solicit business on the public areas of the Airport and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying device is hereby expressly prohibited.

(f) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority or the Space except with the prior written approval of the Port Authority.

(g) No signs, posters or similar devices shall be erected, displayed or maintained at the Airport without the written approval of the General Manager of the Airport; and any not approved by such General Manager or not removed by the Permittee upon the

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termination, revocation, expiration or cancellation of the Permit may be removed by the Port Authority at the expense of the Permittee. The Permittee shall not display, or permit the display of, advertising of third parties in the Space.

(h) The Permittee shall not operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated.

(i) The Permittee shall not use any cleaning materials having a harmful or corrosive effect on any part of the Airport.

(j) The Permittee shall not fuel or defuel any equipment in any enclosed space at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(k) The Permittee shall not start or operate any engine or any item of automotive equipment in any enclosed space at the Airport unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

(l) Unless otherwise expressly provided, the Permittee shall not use the Space (or permit it to be used) for the sale to its employees or to the public, of any beverages, food, candy, gum, ice cream or ice cream products, tobacco or tobacco products, periodicals, books, drugs, toys, games, souvenirs, jewelry, novelties, clothing, flowers, sporting or photographic goods, or toilet articles; or for furnishing for a consideration, theatre tickets, shoe shines, pressing and cleaning (except of its employees' uniforms), developing and printing of photographs and films, baggage checking service, or for the display of advertising of third parties, or for the installation of any coin operated machines or devices.

(m) The Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Airport except as expressly provided herein at the Space and except in regular parking areas upon payment of regular charges therefor.

14. Trademarks and Patent Infringement:

The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit.

15. Right of Entry Reserved:

In addition to the rights set forth in Standard Endorsement No. 11.1, the Port Authority shall have the right at any time and as often as it considers necessary, to inspect the Space and (without any obligation so to do) to enter thereon to make ordinary repairs, and in the

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event of emergency to take such action therein as may be required for the protection of persons or property.

16. Condition of Space:

(a) The Permittee acknowledges that prior to the execution of this Permit it has thoroughly examined and inspected the Space and has determined it to be suitable for the Permittee's operations hereunder. The Permittee agrees to and shall accept the Space in its "as is" condition and shall pay for all costs and expenses to prepare the Space for the purposes permitted hereunder all in accordance with paragraph (f) of Section 13 hereof.

(b) The Port Authority shall have no obligation for the preparation of the Space for the Permittee's use.

(c) Upon the expiration or earlier termination or revocation of the Permit, the Permittee shall restore the Space to the same condition as the Space existed upon the Effective Date.

(d) The Permittee acknowledges and agrees that it has not relied upon any representation or statement of the Port Authority or of its Commissioners, officers, employees or agents as to the suitability of the Space for its permitted operations under the Permit.

17. No Broker:

The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission to use the Space referred to herein.

18. No Port Authority Liability for Damage to Property.

Without limiting the generality of any of the provisions of this Permit, the Port Authority shall have no liability of any kind whatsoever for loss, theft or damage of or to any property, equipment or materials of any kind whatsoever placed in the Space or to any of the Permittee's personal property located elsewhere on the Airport including, but not limited to, any loss, theft or damage due to the acts or omissions of the Port Authority.

19. Unpaid Fees.

Upon execution of this Permit by the Permittee, the Permittee shall pay to the Port Authority all unpaid fees and other monies due and payable under this Permit as of the date of such execution.

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20. Miscellaneous:

(a) The use of headings in this Permit is for convenience of reference only and in no way define, limit or describe the scope or intent of any provision hereof.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Permit or any amendments, addendums or supplements hereto or any endorsements, exhibits, schedules or other attachments hereto.

(c) The provisions and obligations contained in any endorsements, exhibits, schedules or other attachments hereto shall have the same force and effect as if set forth in full herein.

(d) The effect and meaning of this Permit and the rights of the Port Authority and the Permittee hereunder shall be governed by and construed according to the laws of the State of New York.

(e) It is hereby acknowledged that the Space under this Permit constitutes non-residential real property.

21. Entire Agreement:

This Permit, including the attached Special Endorsements constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. The Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

For the Port Authority

Initialled:

For the Permittee

In those parts of the Space which are open to or visible by the general public, the Permittee shall at all times maintain in a clean and orderly condition and appearance the Space, all fixtures, equipment and personal property of the Port Authority and of the Permittee which are located in or on such parts of the Space.

The Permittee shall repair, replace or rebuild all or any part of the Space and any Port Authority fixtures, equipment or personal property which is located in or on the Space and which may be damaged or destroyed by its acts or omissions or those of its employees, customers, guests, invitees or other persons doing business with it. The Port Authority shall have no duty of repair or maintenance as to the Space or any fixtures, equipment or personal property which is located in or on the Space.

The Permittee shall immediately clear all drainage and supply stoppages and partial blocks, in and in connection with any plumbing fixtures, equipment and system which are a part of or are located in or on the Space. All glass in windows and doors which are a part of or are located in or on the Space and which may be broken shall be replaced by the Permittee not later than five days after breakage or at any earlier date if so directed by the Port Authority and immediately if such replacement is necessary to protect the Space, any part thereof or any other property of the Port Authority against damage, loss or theft. The Permittee shall have no obligation under this paragraph where the condition is caused by the negligence of the Port Authority.

The Permittee shall immediately notify the Port Authority if any portion or all of the Space or any of the said Port Authority fixtures, equipment or personal property is destroyed, damaged or in need of repair, regardless of the Permittee's responsibility therefor.

The Permittee shall be the insurer of the Port Authority against the risk of loss or theft of or damage to any Port Authority fixtures, equipment and personal property which are a part of or are located in or on the Space and shall promptly replace or repair the same within five days of such loss, theft or damage.

Nothing herein contained shall relieve the Permittee of its obligations to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decorations, additions or improvements in the Space.

In the event of a partial or total destruction of the Space, the Permittee shall immediately remove any and all of its property and debris from the Space or portion thereof destroyed.

STANDARD ENDORSEMENT NO. 6.3
CARE OF SPACE
All Installations
6/24/49

If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority, including without limitation any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow 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 Permit. 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 to payment of any late charge or late charges payable under the provisions of this Endorsement with respect to such unpaid amount. Nothing in this Endorsement 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 Permit, including without limitation the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Endorsement shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

STANDARD ENDORSEMENT NO. 8.0
LATE CHARGES
All Facilities
7/30/82

The Permittee shall

(a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;

(b) Furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

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

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

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 undertaken 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 Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further 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 Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any Space and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any Space under this Permit and the furnishing of services thereon by it, no person on the grounds of race, creed, color national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any Space and exercise any privileges under this Permit 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, 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 Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Endorsement in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, 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 Permittee's noncompliance with the provisions of this Endorsement shall constitute a material breach of this Permit. In the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; 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 Permittee 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 Permittee's noncompliance with any of the provisions of this Endorsement, and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this Endorsement shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any Space under the Permit.

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

STANDARD ENDORSEMENT NO. 9.6
AFFIRMATIVE ACTION
Airports

The Port Authority, by its officers, employees, representatives, contractors, licensees, and their employees, shall have the right for the benefit of the Port Authority, or the Permittee and/or for the benefit of others than the Permittee to maintain existing and future heating, water, gas, electricity, sewerage, drainage, fire protection sprinkler, ventilating, refrigerating, fuel and communication systems and other such service systems, including all tubes, pipes, lines, mains, wires, conduits and equipment on or about the Space and to enter upon the Space at all reasonable times and to make such repairs, replacements and 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, on, in or under the Space new tubes, pipes, lines, mains, wires, conduits and equipment, provided however, that the same shall be done so as to interfere as little as reasonably possible with the Permittee's operations.

Nothing contained in this Endorsement shall or shall be construed to impose upon the Port Authority any obligations so to maintain or to make repairs, replacements, alterations or additions or any liability for failure to do so.

STANDARD ENDORSEMENT NO. 11.1
MAINTENANCE OF SERVICE FACILITIES
All Facilities
7/21/49

Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including but not limited to any permits to make alterations.

In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration or revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner termination or revocation of this Permit, insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

STANDARD ENDORSEMENT NO. 14.1
DUTIES UNDER OTHER AGREEMENTS
All Facilities
7/21/49

Whenever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them", or "its", "his", "her", "hers", "their", or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

STANDARD ENDORSEMENT NO. 15.1
USE OF PERSONAL PRONOUN
All Facilities
7/21/49

1. The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Permittee's operations at the Airport which may be necessary for the Permittee's operations thereat.

2. The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

3. (a) The Port Authority has agreed by a provision in its agreement of lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance.

(b) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

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

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

STANDARD ENDORSEMENT NO. 18.1
NO PERSONAL LIABILITY
All Facilities
06/01/50

"City" shall mean The City of New York, a municipal corporation of the State of New York.

"City Lease" or "Basic Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

"John F. Kennedy International Airport", "Airport" or "Facility" shall mean the land and premises in The City of New York, in the County of Queens and State of New York, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property and premises as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

The Port Authority has agreed by a provision in its agreement of lease with the City covering the Airport to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the agreement of lease provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

SPECIAL ENDORSEMENTS

1. **Space:**

Subject to and in accordance with all of the terms and conditions of this Permit, effective as of September 1, 2008 the Port Authority hereby grants to the Permittee permission to use the area shown in diagonal hatching on the sketch attached hereto and hereby made a part hereof and marked "Exhibit A" located on the first floor of Building No. 141 at the Airport (herein "*Area A*") and the outside area shown in stipple on the sketch attached hereto and hereby made a part hereof and marked "Exhibit C" located near Building No. 17 at the Airport (herein "*Area C*") and effective as of February 1, 2009 the Port Authority hereby grants to the Permittee permission to use the area shown in diagonal hatching on the sketch attached hereto and hereby made a part hereof and marked "Exhibit B" located on the first floor of Building No. 141 at the Airport (herein "*Area B-1*") and the outside area shown in crosshatching on Exhibit B (herein "*Area B-2* and for the period from September 1, 2008 through January 31, 2009 Area A and Area C are herein collectively called the "*Space*" and from and after February 1, 2009 Area A, Area C, Area B-1 and Area B-2 are herein collectively called the "*Space*"). The parties acknowledge that the Space constitutes non-residential real property.

2. **Use of Space:**

(a) Area A and Area B-1 shall be used as a classroom for students to install aircraft maintenance and avionics equipment and for no other purpose whatsoever.

(b) Area B-2 shall be used by teachers and students to work on small aircraft and aircraft equipment and for no other purpose whatsoever.

(c) Area C shall be used to park a Boeing 727 aircraft thereon for use as part of the Permittee's curriculum and for no other purpose whatsoever.

3. **Insurance:**

(a) (i) In addition to the obligations set forth Section 6 of the Terms and Conditions, the Permittee throughout the period of the permission hereunder its own name as insured and including the Port Authority and the City of New York, as additional insureds, shall maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance, including premises-operations, products liability, completed operations, and covering bodily injury, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions and providing for coverage in a limit of not less than $5,000,000 combined single limit per occurrence for bodily injury and property damage liability.

(ii) All of the said policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and shall also provide or contain an endorsement providing that the protections afforded the Port Authority

thereunder and with respect to any claim or action against the Port Authority by the Permittee shall be the same as the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person as if the Port Authority were the named insured thereunder 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 Permittee under Section 6 of the Terms and Conditions hereof.

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

(d) Without limiting the provisions hereof, in the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an insured to the full extent of all such insurance in accordance with all the terms and provisions hereof.

(e) As to the insurance covered by the provisions of this Special Endorsement, a certified copy of the policies or a certificate or certificates or binders, evidencing the existence thereof, or binders, shall be delivered by the Permittee to the Port Authority on or before the Effective Date of the Permit. In the event a binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled or terminated without giving thirty (30) days' written advance notice thereof to the Port Authority and the Permittee and that the policy may not be changed or modified in any way that would affect the Port Authority or the Permittee without giving thirty (30) days' written advance notice thereof to the Port Authority and the Permittee. Each such copy or 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 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. 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 period of the permission under this Permit. All of the aforesaid insurance shall be written by a company or companies approved by the Port Authority, and have a Best's Rating not lower than "A-", 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 Permittee 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, the Permittee shall deliver to the Port Authority a

certified copy of each of said insurance policies pertaining to the insurance coverages required under this Permit.

(f) In lieu of securing the policy of comprehensive general liability insurance required by paragraph (a) of this Special Endorsement, the Permittee may elect to provide by self-insurance, for itself and for the Port Authority, insurance coverage upon the same terms and conditions as would be provided by an insurance company under such policy with the Port Authority named as an additional insured, in which event, without limiting the provisions of said paragraph (a), the Permittee shall act as insurer of the Port Authority and shall defend and answer actions against the Port Authority with respect to, and shall protect the Port Authority against, all claims and demands of third persons and liability therefor to the same extent that an insurance company would have done so under the policy described in said paragraph (a), including, without limitation thereto, any claim or demand of any third person arising solely out of any negligent act or omission of the Port Authority, its Commissioners, officers, agents or employees. In the event the Permittee elects to provide the self-insurance retention referred to in this paragraph, the Permittee shall furnish such evidence thereof and certificates therefor which it is required to file with any governmental or regulatory agency, and if not required to file any such certificate, then in such form as it would be required to file if it were a private party, and shall deliver such certificates to the Port Authority upon the effective date of such assignment. In defending any action against the Port Authority pursuant to this provision, the Permittee shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority.

4. **Services:**

(a) Except as hereinafter provided in this Special Endorsement, the Port Authority shall, without additional charge, furnish the following to the Permittee:

(i) Electricity for illumination in the enclosed portion of the Space by which is meant the energizing of incandescent and fluorescent bulbs (to be supplied by the Permittee) through existing wires, conduits and outlets, if any, and heating, ventilating and air conditioning the Space; and

(ii) Gas for heating the enclosed area of the Space.

(b) The Permittee shall pay the Port Authority upon demand the actual cost of extermination service, if any, provided by the Port Authority in the enclosed portion of the Space. This paragraph does not impose an obligation on the Port Authority to furnish such service.

(c) The Port Authority shall be under no obligation to furnish any of the above services if and to the extent and during any period that the furnishing of any of such services or

the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency.

(d) Any failure, delay or interruption, including without limitation thereto any failure, delay or interruption under the preceding paragraph of this Special Endorsement, in supplying agreed services (whether or not a separate charge is made therefor) shall not relieve the Permittee of any obligations hereunder and (unless resulting from the negligence of the Port Authority and continuing for a period of five days after notice to the Port Authority) shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

(e) The Port Authority shall not be obligated to keep Area B-2 or Area C or the means of ingress thereto and egress therefrom free from snow or ice or otherwise unobstructed for use by the Permittee. Further the Port Authority shall not be obligated to police the use of the Space or to keep the Space guarded or attended at any time, nor shall the Port Authority have any responsibility to ensure that others do not use or occupy the Space, or to provide any other service in connection therewith except as expressly set forth in this Special Endorsement No. 4.

5. **Maintenance of HVAC Systems:**

The Permittee shall, throughout the term of this Permit, assume the entire responsibility and shall relieve the Port Authority from all responsibility for all repair, rebuilding, replacement and maintenance whatsoever with respect to the heating, ventilation and air conditioning equipment and systems serving Area A and with respect to the heating and ventilation equipment and systems serving Area B-1. There is no air conditioning for Area B-1.

6. **Fencing:**

The Permittee shall throughout the term of this Permit, assume the entire responsibility and shall relieve the Port Authority from all responsibility for all repair, rebuilding, replacement and maintenance whatsoever with respect to the fencing around the perimeter of Area C.

Initialed:

For the Port Authority

For the Permittee

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

For Port Authority Use Only

Permit No.: AYD-994

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
225 Park Avenue South
New York, New York 10003

JOHN F. KENNEDY INTERNATIONAL AIRPORT
SPACE PERMIT

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the hereinafter described privilege at John F. Kennedy International Airport, in the Borough of Queens, County of Queens and City and State of New York (herein called the "Airport"), in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee or fees hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. **PERMITTEE:** AVIATION DEVELOPMENT COUNCIL, INC., a corporation of the State of New York

2. **PERMITTEE'S ADDRESS:** 141-07 20th Avenue
Whitestone, New York 11357

3. **PERMITTEE'S REPRESENTATIVE:** William Huisman

4. **SPACE:** As set forth in Special Endorsement No. 1 hereof.

5. **PURPOSES:** As set forth in Special Endorsement No. 1 hereof.

6. **FEES:** As set forth in Special Endorsement No. 3 hereof.

7. **EFFECTIVE DATE:** January 1, 2010

7. **EXPIRATION DATE:** December 31, 2014, unless sooner revoked or terminated as herein provided.

8. **ENDORSEMENTS:** 2.6, 3.1, 6.1, 6.4, 11.1, 14.1, 15.1, Special Endorsements, Exhibit A and Insurance Schedule

Dated: As of December 31, 2009

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

Name David Kagan
Assistant Director
Business, Properties & Airport Development
(Please Print Clearly)

(Title) _____

AVIATION DEVELOPMENT COUNCIL, INC., Permittee

By _____

Name W L HUISMAN
(Please Print Clearly)

/EXEC DIRECTOR

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:

MDF/NEI

TERMS AND CONDITIONS

1. Certain Definitions:

(a) "**Airport**" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "John F. Kennedy International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property and premises as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) "**City**" shall mean The City of New York, a municipal corporation of the State of New York.

(c) "**City Lease**" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of the City on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) "**Effective Date**" shall mean the date designated as the "Effective Date" in Item 7 on the cover page of this Permit.

(e) "**Executive Director**" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee it shall mean the Executive Director of the Port Authority for the time being or his duly designated representative or representatives.

(f) "**Expiration Date**" shall mean the date designated as the "Expiration Date" in Item 8 on the cover page of this Permit.

(g) "**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 Manager by this Permit; until further notice from the Port Authority to the Permittee it shall mean the General Manager or the Acting General Manager of John F. Kennedy International Airport for the time being, or his duly designated representative or representatives.

(h) "**Hazardous Substance**" shall mean any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and substances declared to be hazardous or toxic or the removal, containment or restriction 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 hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

(i) **"Permittee's Representative"** shall mean the individual named in Item 3 on the cover page of this Permit or such other individual as the Permittee may designate by notice in accordance with the provisions of Section 21 below, entitled "Notices".

2. Effectiveness:

(a) The permission granted by this Permit shall take effect upon the Effective Date. Notwithstanding any other term or condition hereof, it may at any time be revoked by the Port Authority without cause upon thirty (30) days' prior notice, and terminated by the Permittee without cause upon thirty (30) days' prior notice; provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee fails to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including without limitation the obligation to pay fees. Further, in the event the Port Authority exercises its right to revoke or terminate this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, the cleaning, repair or restoration of any space which may be used and occupied under this Permit (on failure of the Permittee to have it cleaned, repaired or restored), the care and maintenance of such space during any period of non-use of the space, 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), repairing the space and putting the space in order (such as but not limited to repairing, cleaning and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

(b) No exercise by the Port Authority of any right of revocation granted to it in this Section shall be deemed to be a waiver of any other rights of revocation contained in this Section or elsewhere in this Permit or a waiver of any other rights or remedies which may be available to the Port Authority under this Permit or otherwise.

(c) The permission hereby granted shall in any event terminate with the expiration or termination of the City Lease.

3. Use of Space by Permittee:

(a) The Space shall be used, pursuant to the permission hereby granted,

(1) if the Permittee is a corporation, by the Permittee acting only through

the medium of its officers and employees,

(2) if the Permittee is an unincorporated association, or a "Massachusetts" or business trust, by the Permittee acting only through the medium of its members, trustees, officers and employees,

(3) if the Permittee is a partnership, by the Permittee acting only through the medium of its general partners and employees, or

(4) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees; or

(5) if the Permittee is a limited liability company, by the Permittee acting only through the medium of its members, managers and employees;

and the Permittee shall not, without the written approval of the Port Authority, use the Space through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or the permission granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor, without the written approval of the Port Authority. In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.

(b) The Permittee's Representative specified in Item 3 of the cover page of this Permit (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit and any act or things done or to be done hereunder, and to execute on the Permittee's behalf any amendments or supplements to this Permit or any extension hereof and to give and receive notices hereunder.

(c) This Permit shall not constitute the Permittee the agent or representative of the Port Authority for any purpose whatsoever.

(d) The Permittee hereby agrees that it will not carry on any business or operation in the Space or at the Airport other than as specifically provided herein without receiving the prior written consent of the Port Authority, which consent, if given, will be in the form of a Supplement hereto or a separate agreement with the Port Authority, which consent will specify whether the provisions regarding fees contained herein or any other provisions regarding fees shall apply thereto.

4. Condition of Space:

(a) The Permittee hereby acknowledges that prior to the execution of this Permit it has thoroughly examined and inspected the Space and has found the Space in good order and

repair and has determined the Space to be suitable for the Permittee's operations hereunder and acknowledges and agrees that it has not relied on any representations or statements of the Port Authority, its Commissioners, officers, employees or agents as to the condition or suitability thereof for use by the Permittee for the purposes contemplated herein. The Permittee agrees to and shall take the Space in its "as is" condition and the Port Authority shall have no obligation hereunder for preparation of the Space for the Permittee's use. The Permittee agrees that no portion of the Space will be used initially or at any time during the effective period of the permission granted hereunder which is in a condition unsafe or improper for the purposes contemplated herein so that there is possibility of injury or damage to life or property and the Permittee further agrees that before any use it will immediately correct any such unsafe or improper condition.

(b) Except to the extent required for the performance of any of the obligations of the Permittee under this Permit, nothing contained in this Permit shall grant to the Permittee any rights whatsoever in the air space above the height of the structures located on the Space as of the Effective Date hereof.

(c) The parties to this Permit hereby acknowledge that the Space is non-residential real estate.

5. Payment of Fees:

(a) Unless otherwise expressly provided in this Permit, the Permittee shall pay to the Port Authority a fee for its use and occupancy of the Space. The fee specified is a monthly fee, payable in advance on the Effective Date and on the first day of each and every calendar month thereafter.

(b) Payments made hereunder shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY
P.O. BOX 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions:

Bank: TD Bank
Bank ABA Number: 031201360
Account Number: (Ex. 1)

or sent to such other address, or pursuant to such other wire transfer instructions, as may hereafter be substituted therefor by the Port Authority, from time to time, by notice to the Permittee.

(c) If the permission granted hereunder becomes effective on a date other than the first day of a calendar month or expires or is revoked or terminated on a date other than the last

day of a calendar month, the fee payable for the part of the month during which the permission is in effect shall be computed by prorating the monthly fee on a daily basis, using the exact number of days in the month involved.

(d) Upon execution of this Permit by the Permittee, the Permittee shall pay to the Port Authority all unpaid fees and other monies due and payable under this Permit as of the date of execution.

6. Late and Service Charges:

(a) If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority 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 (hereinbelow 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 (.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) 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 (15) (but not less than thirteen (13)) 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 audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. 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 to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. 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 Permit, including without limitation the Port Authority's rights set forth in Section 2 hereof or (ii) any obligations of the Permittee under this Permit. 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 Permit shall be payable instead at such legal maximum.

(b) The Permittee shall permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit and for one (1) year thereafter the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant in connection with the Permittee's use and occupancy of the Space as permitted hereunder within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any such corporate records and books of account.

7. Security Deposit: If the Permittee is obligated by any other agreement to maintain a security deposit with the Port Authority to insure payment and performance by the Permittee of all

fees, rentals, charges and obligations which may become due and owing to the Port Authority arising from the Permittee's operations at the Airport pursuant to any such other agreement or otherwise, then all such obligations under such other agreement and any deposit pursuant thereto also shall be deemed obligations of the Permittee under this Permit and as security hereunder as well as under any such other agreement and all provisions of such other agreement with respect to such obligations and any obligations thereunder of the Port Authority as to the security deposit are hereby incorporated herein by this reference as though fully set forth herein and hereby made a part hereof. The termination, revocation, cancellation or expiration of any other agreement to which such security shall apply or any permitted assignment of such other agreement shall not affect such obligations as to such security which shall continue in full force and effect hereunder.

8. Indemnification of Port Authority:

(a) The Permittee 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 and expenses including legal costs and 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 of the operations, acts or omissions of the Permittee hereunder, including claims and demands of the City against the Port Authority pursuant to the provisions of the City Lease.

(b) The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any way connected with this Permit. Without in any way limiting its obligations under the preceding paragraph (a) hereof, the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Permittee under or in any way connected with this Permit.

(c) If so directed, the Permittee shall at its own expense defend any suit based on any claim or demand referred to in the foregoing paragraphs (a) or (b) (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining the prior written consent of 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 governmental nature or the provisions of any statutes respecting the Port Authority.

(d) In the event of any injury or death to any person (other than employees of the Permittee) at the Airport when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, or damage to any property (other than the Permittee's property) at the Airport when caused by the Permittee's operations, acts or omissions of the Permittee hereunder, the Permittee shall immediately notify the Port Authority and promptly thereafter furnish to the Port Authority copies of all reports given to the Permittee's insurance carrier.

9. Right of Entry Reserved: The Port Authority shall have the right at any time and as often as it considers necessary, to inspect the Space and (without any obligation so to do) to enter thereon to make ordinary repairs, and in the event of emergency to take such action therein as may be required for the protection of persons or property.

10. Rules and Regulations: The Permittee shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations and procedures of the Port Authority now in effect, and such further reasonable rules and regulations and procedures which may from time to time during the effective period of this Permit, be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Airport or for the safe and efficient operation of the Airport. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

11. Conduct of Operations:

(a) The Permittee shall immediately comply with all orders, directives and procedures as may be issued by the General Manager of the Airport covering the operations of the Permittee under this Permit at any time and from time to time. The Port Authority may, at any time and from time to time, without prior notice or cause, withdraw or modify any designations, approvals, substitutions or redesignations given by it hereunder.

(b) The Permittee shall not install any fixtures or make any alterations, additions, improvements or repairs to any property of the Port Authority except with the prior written approval of the Port Authority.

(c) Unless otherwise expressly provided, the Permittee shall not install any vending machines or similar devices in the Space or use the Space (or permit it to be used) for the sale to its employees or to the public of any of the following goods and services: beverages, food, candy, gum, ice cream or ice cream products, tobacco or tobacco products, periodicals, books, drugs, toys, games, souvenirs, jewelry, novelties, clothing, flowers, sporting or photographic goods, toilet articles, theatre tickets, shoe shines, pressing and cleaning (except of its employees' uniforms), developing and printing of photographs and films or baggage-checking. The specificity of the foregoing enumeration of disallowed activities shall not be deemed to infer that any particular activities not so enumerated are permitted under this Permit.

(d) No signs, posters or similar devices shall be erected, displayed or maintained in view of the general public in or about the Space without the written approval of the General Manager of the Airport; and any not approved by him may be removed by the Port Authority at the expense of the Permittee. The Permittee shall not display, or permit the display of, advertising of third parties in the Space.

(e) The Permittee, its employees, invitees and those doing business with it shall have no right hereunder to park vehicles within the Airport, except in regular parking areas upon payment of regular charges therefor.

(f) The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Airport. The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification which shall be subject to the approval of the General Manager. The Port Authority shall have the right to object to the Permittee as to the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

(g) The Permittee shall daily remove from the Airport 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 the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. 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 the waters at or bounding the Airport.

(h) The Permittee shall at all times maintain the Space in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas of the Space. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas of the Space which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, agents or contractors except for reasonable wear and tear arising out of its use and occupancy thereof.

12. Permittee Property:

(a) The personal property placed or installed by the Permittee in the Space shall remain the property of the Permittee and must be removed on or before the Expiration Date or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier.

(b) If the Permittee shall fail to remove its property upon the expiration,

termination or revocation hereof, the Port Authority may, at its option, as agent for the Permittee and at the Permittee's risk and expense, remove such property to a public warehouse for deposit or retain the same in its own possession and after the expiration of thirty (30) days sell the same at public auction, the proceeds of which shall be applied first to the expenses of sale, second to any sums owed by the Permittee to the Port Authority, and any balance remaining shall be paid to the Permittee, or may take such other action as may be necessary or desirable. Any excess of the total cost of removal, storage and sale over the proceeds of sale shall be paid by the Permittee to the Port Authority upon demand.

13. Prohibited Acts:

(a) The Permittee 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 New York Board of Fire Underwriters and the New York Fire Insurance Exchange, and any other body or organization exercising similar functions which may pertain or apply to the Permittee's operations hereunder. If by reason of the Permittee's failure to comply with the provisions of this Section, any fire insurance, extended coverage or rental insurance rate on the Airport or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Permittee shall on demand pay the Port Authority that part of all fire insurance premiums paid or payable by the Port Authority which shall have been charged because of such violation by the Permittee.

(b) The Permittee shall not do or permit to be done any act which:

(1) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon, or

(2) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or

(3) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or

(4) may cause or produce upon the Airport any unusual, noxious or objectionable smokes, gases, vapors or odors, or

(5) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Airport, or

(6) shall constitute a nuisance in or on the Airport or which may result in the creation, commission or maintenance of a nuisance in or on the Airport.

(c) For purposes of this Section, "Airport" includes all structures located thereon.

14. Specifically Prohibited Activities:

(a) The Permittee shall not dispose of nor permit anyone to dispose of any waste materials (whether liquid or solid) by means of any toilets, sanitary sewers or storm sewers at the Airport.

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport. Any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee be completely removed and/or remediated by the Permittee at its sole cost and expense.

(c) The Permittee shall not operate any engine or any item of automotive equipment in the Space without adequate ventilation.

(d) The Permittee shall not use any cleaning materials having a harmful or corrosive effect in the Space.

(e) The Permittee shall not fuel or defuel any equipment in the Space or elsewhere at the Airport without the prior approval of the General Manager of the Airport except in accordance with Port Authority rules and regulations.

(f) The Permittee shall not start or operate any engine or any item of automotive equipment in the Space unless such space is adequately ventilated and unless such engine is equipped with a proper spark-arresting device.

(g) The Permittee shall not solicit business in the public areas of the Airport and shall not at any time use any electric amplifying devices or hand megaphones whatsoever.

15. Labor Disturbances:

(a) (1) The Permittee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Permittee under this Permit.

(2) The Permittee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(b) If any type of strike or other labor activity is directed against the Permittee at the Airport or against any operations pursuant to this Permit resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Airport or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Permittee, and whether caused by the employees of the Permittee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Permit, effective at the time specified in the notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

16. The City Lease:

(a) The Permittee acknowledges that it has received a copy of, and is familiar with the contents of, the City Lease. The Permittee acknowledges that no greater rights or privileges are hereby granted to the Permittee than the Port Authority has the power to grant under the City Lease.

(b) In accordance with the provisions of the City Lease, the Port Authority and the Permittee hereby agree as follows:

(1) This Permit is subject and subordinate to the City Lease and to any interest superior to that of the Port Authority;

(2) The Permittee shall not pay the fees or other sums under this Permit for more than one (1) month in advance (excluding security and other deposits required under this Permit);

(3) With respect to this Permit, the Permittee on the termination of the City Lease will, at the option of the City, enter into a direct permit on identical terms with the City;

(4) The Permittee shall indemnify the City, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the City Lease that arise out of the Permittee's operations at the Airport, or arise out of the acts or omissions of the Permittee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Permittee's consent;

(5) The Permittee shall not use any portion of the Airport for any use other than as permitted under the City Lease;

(6) The Permittee shall use the Space in a manner consistent with the Port Authority's obligations under Section 28 of the City Lease;

(7) The failure of the Permittee to comply with the foregoing provisions

shall be an event of default under this Permit, which shall provide the Port Authority with the right to revoke this Permit and exercise any other rights that the Port Authority may have as the grantor of the permission hereunder; and

(8) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Permittee pursuant to this Permit.

(c) No greater rights or privileges are hereby granted to the Permittee than the Port Authority has power to grant under the City Lease.

17. Law Compliance:

(a) The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee's operations at the Airport.

(b) The Permittee shall procure all licenses, certificates, permits or other authorization necessary for the Permittee's operations at the Airport from all governmental authorities, if any, having jurisdiction.

(c) The Permittee shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed, levied, exacted or imposed on its property or operations hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required in connection therewith.

(d) The Permittee's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Airport and are not to be construed as a submission by the Port Authority to the application to itself of any such requirements.

(e) The Port Authority has agreed by a provision in the City Lease to conform to the enactments, ordinances, resolutions and regulations of the City and of its various departments, boards and bureaus in regard to the construction and maintenance of improvements at the Airport and in regard to life safety, health and fire protection, to the extent that the Port Authority finds it practicable so to do. The Permittee shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Port Authority for examination and determination of the applicability of the provision thereto. Unless otherwise directed in writing by the Port Authority, the Permittee shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to the operations of the Permittee at the Airport. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Permittee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Permittee of a written direction from the Port Authority, such compliance shall not constitute a breach of this Permit, although the Port Authority thereafter

notifies the Permittee to refrain from such compliance. Nothing herein contained shall release or discharge the Permittee from compliance with any other provision hereof respecting governmental requirements.

18. Federal Airport Aid: The Permittee shall:

(a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefore at the Airport;

(b) Furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

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

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

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 undertaken 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 Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further 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 Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

19. Non-Discrimination:

(a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (i) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Space, (ii) that in the construction of any improvements on, over, or under the Space and the furnishing of services thereon by it, no person on the grounds of race, creed, color national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (iii) that the Permittee shall use the Space in compliance with all other

requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, 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 Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee 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 Permittee, 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 Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. In the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; 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 Permittee 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 Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

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

20. Affirmative Action: The Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Permittee 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 Permittee assures that it will require that its covered suborganizations provide assurances to the Permittee 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.

21. Notices: A bill or statement may be rendered or any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given if the same be in writing and sent by registered or certified mail addressed to the Permittee at the address specified on the cover page hereof or at the latest address that the Permittee may substitute

therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's Representative, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee.

22. No Broker: The Permittee represents and warrants that no broker has been concerned in the negotiation or execution of this Permit and that there is no broker who is or may be entitled to be paid a commission in connection therewith. The Permittee shall indemnify the Port Authority and save it harmless from any and all claims which have been or which may be made by any and all persons, firms, or corporations whatsoever for services in connection with the negotiation and execution of this Permit or in connection with any permission to use the Space.

23. Counterclaims: The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed. The foregoing reference to summary proceedings shall not be construed to mean that a landlord-tenant relationship exists between the Port Authority and the Permittee.

24. Effect of Use and Occupancy after Expiration, Revocation or Termination:

(a) Notwithstanding any other provision in this agreement, in the event that the Permittee shall continue to use the Space after the expiration or earlier termination of the Term of this Agreement, such continuation of use shall not be deemed to operate as a renewal or extension of this Agreement but shall only create a month-to-month extension of this Agreement, which extension shall be terminable on thirty days' notice.

(b) The Permittee acknowledges that the failure of the Permittee to surrender, vacate and yield up the Space to the Port Authority on the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

25. No Personal Liability: No Commissioner, Director, officer, agent or employee of either party shall be charged personally by the other party with any liability, or held liable to the other party, under any term or provision of this Permit, or because of the party's execution or attempted execution, or because of any breach thereof.

26. No Waiver: No failure by the Port Authority to insist upon the strict performance of

any agreement, term, covenant or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Permit to be performed or complied with by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term, covenant or condition of this Permit shall affect or alter this Permit but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other existing or subsequent breach or default thereof.

27. Construction and Application of Terms:

(a) The use of headings in this Permit is for convenience of reference only and in no way intended to define, limit or describe the scope or intent of any provision hereof.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Permit or any amendments, addendums or supplements hereto or any endorsements, exhibits, schedules or other attachments hereto.

(c) The provisions and obligations contained in any endorsements, exhibits, schedules or other attachments hereto shall have the same force and effect as if set forth in full herein.

(d) To the extent that any provisions of this Permit are in any instance to be construed in accordance with the laws of a state, the laws of the State of New York shall apply.

28. Governing Law:

This permit and any claim, dispute or controversy arising out of, under or related to this permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

29. Entire Agreement:

This Permit, including the attached exhibits, endorsements, schedules and other attachments, if any, constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended, except by written endorsement duly executed on behalf of the parties and attached hereto. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

In connection with the exercise of the privilege granted hereunder, the Permittee shall:

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

(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 effective period of this Permit, for one (1) year after the expiration or earlier revocation or termination thereof, and for a further period extending until the Permittee shall receive written permission from the Port Authority to do otherwise, records and books of account recording all transactions of the Permittee 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;

(d) Permit in ordinary business hours during the effective period of the Permit, for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), 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 Permittee, or which owns or controls the Permittee, if said company performs services, similar to those performed by the Permittee, anywhere in the Port of New York District;

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

(f) Furnish on or before the tenth day of each month following the effective date of this Permit a sworn statement of gross receipts arising out of operations of the Permittee hereunder for the preceding month, and furnish within ten days after the expiration or sooner revocation or termination of this Permit a statement of all the gross receipts arising out of operations of the Permittee hereunder during the effective period of this Permit, said statement being certified, at the Permittee's expense, by a certified public accountant;

(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 Permittee's business and necessary or desirable to keep accurate records of gross receipts.

A principal purpose of the Port Authority in granting the permission under this Permit is to have available for passengers, travelers and other users of the Port Authority Facility, all other members of the public, and persons employed at the Facility, the merchandise and/or services which the Permittee is permitted to sell and/or render hereunder, all for the better accommodation, convenience and welfare of such individuals and in fulfillment of the Port Authority's obligation to operate facilities for the use and benefit of the public.

The Permittee agrees that it will conduct a first class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor. The Permittee shall furnish all services hereunder on a fair, equal and non-discriminatory basis to all users thereof.

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ACCOMMODATION OF THE PUBLIC
All Facilities
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The Permittee shall maintain all its own fixtures, equipment and personal property in the Space in first-class operating order, condition and appearance at all times, making all repairs and replacements necessary therefor, regardless of the cause of the condition necessitating any such repair or replacement.

Nothing herein contained shall relieve the Permittee of its obligations to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decorations, additions or improvements in the Space.

(a) The Permittee shall at all times keep the Space in a clean and orderly condition and appearance, together with all fixtures, equipment and personal property of the Permittee and of the Port Authority located in or on the Space, including without limitation thereto the interior surface of windows and both sides of all entrance doors.

(b) The Permittee shall repair, replace, rebuild and paint all or any part of the Space or of the Facility which may be damaged or destroyed by the acts or omissions of the Permittee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees or other persons who are doing business with the Permittee who are on or at the Space or the Facility with the consent of the Permittee.

(c) The Permittee shall take good care of the Space, including therein, without limitation thereto, walls, partitions, floors, ceilings, doors and columns, and all parts thereof, and all equipment and fixtures, and shall do all preventive maintenance and make all necessary non-structural repairs, replacements, rebuilding and painting necessary to keep the Space in the condition existing on the effective date and to keep any improvements, additions and fixtures made or installed during the effective period of this Agreement in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building or adversely affect the efficient or proper utilization or the appearance of any part of the Space.

(d) In the event the Permittee fails to commence so to make or do any repair, replacement, rebuilding or painting required by this Agreement within a period of ten (10) days after notice from the Port Authority so to do, or fails diligently to continue to completion the repair, replacement, rebuilding or Painting of all the premises required to be repaired, replaced, rebuilt or painted by the Permittee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Space included in the said notice, the Port Authority's cost thereof to be paid by the Permittee on demand. This option or the exercise thereof shall not be deemed to create or imply any obligation or duty to the Permittee or others.

(e) The obligation of the Permittee as set forth in paragraphs (b) and (c) above, in the event of damage or destruction covered by any contract of insurance under which the Port Authority is the insured, is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that if at any time because of this release the insurance carrier of any policy covering the premises or any part thereof shall increase the premiums otherwise payable for fire, extended coverage or rental coverage applicable to the premises; the Permittee shall pay to the Port Authority an amount equivalent to such increase or increases on demand; and provided, further, that if at any time this release shall invalidate any such policy of insurance or reduce, limit or void the rights of

the Port Authority thereunder, or if because of this release, any such insurance carrier shall cancel any such policy or shall refuse to issue or renew the same or shall refuse to issue a policy with an endorsement thereon under which this release is permitted without prejudice to the interest of the insured or shall cancel such endorsement or refuse to renew the same or shall take any other action to alter, decrease or diminish the benefits of the Port Authority under the policy, then the release shall be void and of no effect. Nothing herein shall be construed to imply an obligation on the Port Authority to carry any such insurance policy or to obtain or keep in force any such endorsement.

(f) The Port Authority shall have no duty of repair or maintenance as to the Space or any fixtures, equipment or personal property which is located in or on the Space.

(g) The Permittee shall immediately clear all drainage and supply stoppages and partial blocks, in and in connection with any plumbing fixtures, equipment and system which are a part of or are located in or on the Space. All glass in windows and doors which are a part of or are located in or on the Space and which may be broken shall be replaced by the Permittee not later than five days after breakage or at any earlier date if so directed by the Port Authority and immediately if such replacement is necessary to protect the Space, any part thereof or any other property of the Port Authority against damage, loss or theft. The Permittee shall have no obligation under this paragraph where the condition is caused by the negligence of the Port Authority.

(h) The Permittee shall immediately notify the Port Authority if any portion or all of the Space or any of the said Port Authority fixtures, equipment or personal property is destroyed, damaged or in need of repair, regardless of the Permittee's responsibility therefor.

(i) Nothing herein contained shall relieve the Permittee of its obligations to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decorations, additions or improvements in the Space.

(j) In the event of a partial or total destruction of the Space, the Permittee shall immediately remove any and all of its property and debris from the Space or portion thereof destroyed.

The Port Authority, by its officers, employees, representatives, contractors, licensees, and their employees, shall have the right for the benefit of the Port Authority, or the Permittee and/or for the benefit of others than the Permittee to maintain existing and future heating, water, gas, electricity, sewerage, drainage, fire protection sprinkler, ventilating, refrigerating, fuel and communication systems and other such service systems, including all tubes, pipes, lines, mains, wires, conduits and equipment on or about the Space and to enter upon the Space at all reasonable times and to make such repairs, replacements and 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, on, in or under the Space new tubes, pipes, lines, mains, wires, conduits and equipment, provided however, that the same shall be done so as to interfere as little as reasonably possible with the Permittee's operations.

Nothing contained in this Endorsement shall or shall be construed to impose upon the Port Authority any obligations so to maintain or to make repairs, replacements, alterations or additions or any liability for failure to do so.

STANDARD ENDORSEMENT NO. 11.1
MAINTENANCE OF SERVICE FACILITIES
All Facilities
7/21/49

Except as specifically provided herein to the contrary, the Permittee shall not, by virtue of the issue and acceptance of this Permit, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority permits or agreements including but not limited to any permits to make alterations.

In the event that any space or location covered by this Permit is the same as is or has been covered by another Port Authority permit or other agreement with the Permittee, then any liabilities or obligations which by the terms of such permit or agreement, or permits thereunder to make alterations, mature at the expiration or revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner termination or revocation of this Permit, insofar as such liabilities or obligations require the removal of property from and/or the restoration of the space or location.

STANDARD ENDORSEMENT NO. 14.1
DUTIES UNDER OTHER AGREEMENTS
All Facilities
7/21/49

Whenever in this Permit, including all endorsements and exhibits thereto, the pronoun "it" or the adjective "its" may occur, referring to the Permittee, the said pronoun or adjective shall be deemed and taken to mean "it", "he", "him", "she", "her", "they", "them", or "its", "his", "her", "hers", "their", or "theirs", as the circumstances of the reference and the gender and number of the Permittee may require.

STANDARD ENDORSEMENT NO. 15.1
USE OF PERSONAL PRONOUN
All Facilities
7/21/49

SPECIAL ENDORSEMENTS

1. Subject to and in accordance with all the terms and conditions of this Permit and the Endorsements annexed thereto, the Port Authority hereby grants the Permittee permission to use and occupy the area on the first floor of Building 141 located at the Airport as shown in diagonal hatching on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A", together with the fixtures, improvements and other property of the Port Authority located or to be located therein or thereon (hereinafter the "Space"). The Permittee, in accordance with all the provisions and conditions of this Permit, shall use the Space as a clerical and administrative office in connection with the Permittee's operations elsewhere at the Airport and for no other purpose or purposes whatsoever.

2. The Permittee hereby 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 Space. The Permittee, prior to the execution of this Permit, has thoroughly examined the Space and determined it to be suitable for the Permittee's operations hereunder. The Permittee hereby agrees to take the Space in its "as is" condition as of the Effective Date and the Permittee shall pay for all costs and expenses to prepare the Space for the purposes permitted hereunder all in accordance the terms and conditions of this Permit. In addition, upon the expiration or earlier termination or revocation of this Permit, the Permittee shall restore the Space to the same condition as the Space existed upon the Effective Date hereof.

3. (Ex. 2.a.)

4. Even if this Permit does not set forth a stated amount of security deposit that must be provided by the Permittee prior to or upon the Effective Date of this Permit in connection with the Permittee's operations hereunder, nothing in this Permit shall prevent or preclude, or shall be construed as preventing or precluding, the Port Authority from requiring a security deposit at any time during the period of permission of this Permit, or as a condition of entering into any agreement (including without limitation extensions, amendments or supplements to this Permit or existing agreements) which may be entered into between the Port Authority and the Permittee subsequent to the execution of this Permit. Accordingly, the Port Authority reserves the right, in its sole discretion, upon fifteen (15) days written notice, to require that a security deposit be delivered to it by the Permittee hereunder and, in such event, the amount and type of security deposit set forth in said notice shall be deposited with the Port Authority forthwith in strict accordance with the Port Authority's notice. Similarly, the Port Authority reserves the right, in its sole discretion, to further adjust such amount, at any time and from time to time, upon fifteen (15) days written notice to the Permittee, thereby increasing or decreasing the security amount, based upon changes in the Permittee's activity at any Port Authority facility. From and after the effective date set forth in said notice the Permittee shall deposit with the Port Authority the new security amount as set forth in said notice.

5. Except as hereinafter provided in this paragraph, the Port Authority shall, without additional charge, furnish the following to the Permittee in the enclosed portion of the Space:

(a) Heat, ventilation and air-cooling to maintain in the premises an even and comfortable working temperature during normal business hours;

(b) Electricity, through existing wires, conduits and outlets, if any, for illumination by which is meant the energizing of incandescent and fluorescent bulbs (to be supplied by the Permittee) and for the operation of office and copying machines;

(c) The Port Authority shall also, without additional charge, furnish non-exclusive toilet and washroom facilities for the employees of the Permittee;

(d) The Permittee shall keep closed all entrance doors and all windows in the Space except doors that may be opened when required for ingress and egress. The Permittee shall not otherwise waste or dissipate the air cooling or heating services. Without otherwise affecting the Port Authority's rights or remedies in the event of any breach by the Permittee of its obligations under this Permit, the Port Authority shall have the right to discontinue or reduce the said heating or air-cooling service during any period of such waste or dissipation and any failure of the Port Authority to supply any such service under such conditions shall not affect any of the Permittee's obligations under this Permit;

(e) The Permittee shall pay the Port Authority upon demand the actual cost of extermination services, if any, provided by the Port Authority in the enclosed portion of the Space. This paragraph does not impose an obligation on the Port Authority to furnish such service;

(f) The Port Authority shall be under no obligation to furnish any of the above services if and to the extent and during any period that the furnishing of any of such services or the use of any component necessary therefore shall be prohibited or rationed by any federal , state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency; and

(g) Any failure, delay or interruption, including without limitation thereto any failure , delay or interruption under the preceding paragraph of this Special Endorsement, in supplying agreed services (whether or not a separate charge is made therefore) shall not relieve the Permittee of any obligations hereunder and (unless resulting from the negligence of the Port Authority and continuing for a period of five days after notice to the Port Authority) shall not be grounds for any claim by the Permittee for damages, consequential or otherwise.

6. (a) Without limiting the generality of any other provision of this Permit, the Permittee shall not keep, maintain, place or install in the Space any fixtures or equipment the use of which is not consistent with and required for the purposes of this Permit and the Permittee shall not use or connect any equipment or engage in any activity or operation in the Space which will cause or tend to cause an overloading of the capacity of any existing or future utility, mechanical, electrical, communication or other systems or portions thereof on the Space or elsewhere at the Airport, nor shall the Permittee do or permit to be done anything which may interfere with the effectiveness or accessibility thereof.

(b) The Permittee shall make any and all improvements, alterations or repairs to the Space that may be required at any time hereafter by any present or future rule, regulation, requirement, order or direction of the National Fire Protection Association, and of any

other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Permittee on the Space.

7. The Port Authority shall not be liable to the Permittee or others for any personal injury, death or property damage from falling material, water, rain, hail, snow, gas, steam, dampness, explosion, smoke, radiation and/or electricity whether the same may leak into or fall, issue or flow from any part of the Space or of the Airport including, without limitation thereto, any utility, mechanical, electrical, communication or other systems therein, or from any other place or quarter unless said damage, injury or death shall be due to the negligent acts of the Port Authority, its employees or agents.

8. (a) Any name, designation or any service mark proposed to be used or displayed at the Space or for the Permittee's operations therein shall be approved in advance in writing by the Port Authority and the Permittee shall have the right to use and display the name, designation or mark only so long as this Permit is in force and effect. If for any reason the Permittee ceases its operations in the Space, the Permittee's right to use such name, designation or service mark shall immediately cease and come to an end and the Port Authority or its designee shall have the sole right to use such name, designation or service mark and the Permittee hereby consents to such use thereof. Any registration or filing by the Permittee with respect to such name, designation or service mark shall indicate the Port Authority's interest therein and the form thereof shall be approved in advance by the Port Authority in writing. The Permittee agrees to assign and transfer to the Port Authority any such registration or filing and any other rights in or to the use of such name, designation or service mark promptly upon written request therefor from the Port Authority.

Nothing in this Special Endorsement shall be deemed to permit the Port Authority to continue the use of a name used by the Permittee for its operations hereunder which name is identical to that used by the Permittee in its operations elsewhere, but the Port Authority shall have the right to continue the use of a name peculiar or developed solely for use at the Space and/or the Airport.

(b) The Permittee shall not use or make any reference, by advertising or otherwise, to the names "John F. Kennedy International Airport" (except to designate the Permittee's address at the Space and then only in a conventional manner and without emphasis or display), "The Port Authority of New York and New Jersey", "Port Authority" or any simulations or abbreviations of any such names, or any emblem, picture or reproduction of John F. Kennedy International Airport, for any purpose whatsoever without obtaining the prior written approval of the Port Authority. Furthermore, the Permittee shall not make use of or originate any material intended for publication or visual or oral presentation which may tend to impair the reputation of the John F. Kennedy International Airport or its desirability.

9. The Permittee understands that the Port Authority shall have no responsibility to keep any portion of the Airport designated for the Permittee's use guarded, attended or patrolled at any time and the Port Authority has not nor shall it be deemed to have assumed any liability or obligation whatsoever with respect to any of the Permittee's property located on the Space or elsewhere at the Airport.

10. (a) The Port Authority shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond the control of the Port Authority. Further, the Port Authority shall not be liable unless the failure, delay or interruption shall result from the failure on the part of the Port Authority to use reasonable care to prevent or reasonable efforts to cure such failure, delay or interruption.

(b) No diminution or reduction of the fees or other charges payable by the Permittee shall be claimed by or allowed to the Permittee for any inconvenience, interruption, cessation or loss of business or other loss caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the United States of America, or of the state, county or city governments, or of any other municipal, governmental or lawful authority whatsoever, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or condition beyond the control of the Port Authority, nor shall this Permit be affected by any such causes or conditions.

11. The Port Authority may at any time and from time to time by notice to the Permittee modify, withdraw or amend any approval, direction or designation given hereunder or pursuant hereto.

12. The Port Authority and the Permittee were heretofore parties to Port Authority Space Permit No. AYC-413, dated as of October 1, 1993, which has been replaced with this Permit. The Permittee shall remain liable for all obligations and liabilities which accrued under Permit No. AYC-413 through the expiration or termination date of Permit No. AYC-413 and all such obligations and liabilities which were expressly or impliedly stated or intended to survive the expiration or termination of said agreement shall so survive. The Space which is the subject of this Permit is a portion of the Space which was the subject of Permit AYC-413 and the Permittee has been in continuous occupancy of such Space. At the expiration or termination of this Permit, the Permittee agrees that it shall be obligated to return the Space to the Port Authority in the same good order and repair in which such Space was delivered to it under Permit AYC-413 as such permit was amended from time to time.

For the Port Authority

Initialled:

For the Permittee

INSURANCE SCHEDULE

(a) The Permittee named in the permit to which this Insurance Schedule is attached and of which it constitutes an integral part (the "Permit"), in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations and products-completed operations and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limit set forth below:

	Minimum Limits
Commercial General Liability Insurance Combined single limit per occurrence for death, bodily injury and property damage liability:	$2,000,000.00
Workers' Compensation and Employers Liability Insurance Permittee's obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to the Permit at or from the Airport:	Statutory

In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of the Permit, including without limitation this Insurance Schedule.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 8 of the Terms and Conditions of the Permit.

(c) All insurance coverages and policies required under this Insurance Schedule 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 period of permission under the Permit. 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 and the Permittee shall promptly comply therewith.

(d) Each policy shall contain a 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. Each policy shall contain a provision or endorsement that the insurer

"shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of the Permit by the Permittee to the Port Authority. 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 of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance 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 Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

(f) The foregoing insurance requirements shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Permittee under the Permit. The foregoing insurance requirements shall not constitute a representation or warranty as to the adequacy of the required coverage to protect the Permittee with respect to the obligations imposed on the Permittee by the Permit or any other agreement or by law.

For the Port Authority

Initialed:

For the Permittee

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

Lease No. AYE-197

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AGREEMENT OF LEASE

Between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

And

AURORA ELECTRIC INC.

Dated: May 1, 2012

DATED: May 1, 2012

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SCHEDULE E Affirmative Action – Equal Opportunity – Minority Business Enterprises – Women Owned Business Enterprises

SCHEDULE F Local Business Enterprise Program

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

Lease No. AYE-197

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (this "*Agreement*"), made as of the 1st day of May, 2012, 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 York and New Jersey with the consent of the Congress of the United States of America, and having an office at 225 Park Avenue South, New York, New York 10003, and **Aurora Electric Inc.**, (hereinafter called the "***Lessee***"), a New York corporation, and having an office address at John F. Kennedy International Airport, Building 141, Jamaica, New York, 11430, whose representative is Veronica Rose.

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. Definitions

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

(a) "***Agreement***" shall mean this agreement of lease.

(b) "***Airport***" shall mean John F. Kennedy International Airport, consisting of certain premises identified as "JFK International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the Basic Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the Basic Lease.

(c) "***Basic Lease***" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York (the "***City***"), as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the City Register of The City of New York on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

(d) "***Environmental Damages***" shall mean any one or more of the following: (i) the presence on, about or under the Premises of any Hazardous Substance and/or (ii) the

disposal, release or threatened release of any Hazardous Substance from the Premises, and/or (iii) the presence of any Hazardous Substance on, about or under other property at the Airport as a result of the Lessee's use and occupancy of the Premises or a migration of a Hazardous Substance from the Premises, and/or (iv) any personal injury (including wrongful death) or property damage arising out of or related to any such Hazardous Substance, and/or (v) the violation of any Environmental Requirements pertaining to any such Hazardous Substance, the Premises and/or the activities thereon.

(e) "***Environmental Requirements***" and "***Environmental Requirement***" shall mean 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; and

(ii) All requirements, pertaining to the protection of the health and safety of employees or the public.

(iii) The Atomic Energy Act of 1954 , 42 U.S.C. Section 2011 et seq.; the Clean Water Act also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq.; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 2701 et seq.; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Safe Drinking Water Act of 1974, 42 U.S.C.

Sections 300f-300h-11 et seq.; the New York State Environmental Conservation Law; the New York State Navigation Law; together, in each case, with any amendment thereto, and the regulations adopted, guidances, memoranda and publications promulgated thereunder and all substitutions thereof.

(f) "***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 General Manager by this Agreement; but until further notice from the Port Authority to the Lessee it shall mean the General Manager (or the temporary or acting General Manager) of the Airport for the time being, or his duly designated representative or representatives.

(g) "***Governmental Authority***", "***Governmental Board***", "***Governmental Agency***" shall mean federal, state, municipal and other governmental authorities, boards and agencies of any state, nation or government, except that it shall not be construed to include The Port Authority of New York and New Jersey, the lessor under this Agreement.

(h) "***Hazardous Substance***" and "***Hazardous Substances***" 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 which has or in the future shall be declared to be hazardous or toxic, or the removal of which has or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which has or in the future shall be restricted, prohibited, regulated or penalized by any Environmental Requirement.

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

(j) "***Premises***" as defined in the Section of this Agreement entitled "*Letting*" shall without limiting the generality of said Section include the land, buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigeration, 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.

(k) "***Remediate***" or "***Remediation***" shall mean the investigation (including any feasibility studies or reports), cleanup, removal, abatement, transportation, disposal, treatment (including in-situ treatment), management, stabilization, neutralization, collection, or containment of a Hazardous Substance or contamination, that may be required to satisfy, the Environmental Requirements, including, without limitation, any closure, restoration or monitoring, operations and maintenance activities that may be required by any Government Agency after the completion of such investigation, cleanup, removal, transportation, disposal, treatment, neutralization, collection, or containment activities as well as the performance of any

and all obligations imposed by any Governmental Agency in connection with such investigation, cleanup, removal, transportation, disposal, treatment (including in situ treatment), management, stabilization, neutralization, collection, or containment (including any such obligation that may be imposed pursuant to an Environmental Permit or a consent order).

(l) "***Storage Tank***" and "***Storage Tanks***" shall mean underground storage tanks and its or their appurtenances, pipes, lines, fixtures and other related equipment.

Section 2. **Letting**

(a) **Premises.** Effective as of the Commencement Date (as hereinafter defined) the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport, upon all the terms, conditions, provisions and agreements of this Agreement, the space shown in stipple on the drawing attached hereto, hereby made a part hereof, and marked "Exhibit A," in Building 141 at the Airport ("***Building 141***") and all buildings, structures, additions, fixtures, improvements, and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, and all easements and other rights appurtenant thereto and granted by this Agreement, all of the foregoing being hereinafter collectively referred to as the "***Premises***."

(b) **[Intentionally Omitted].**

(c) **Non-Residential.** The parties acknowledge that the Premises constitute non-residential real property.

(d) **Prior Lease.**

(i) *Prior Lease*. The Lessee hereby acknowledges that the Port Authority and the Lessee entered into Port Authority Lease No. AYD-690, dated as of April 14, 2007 (the "***Prior Lease***"), permitting the Lessee to occupy and use the Premises.

(ii) *Continued Application of Prior Lease*. This Lease shall be deemed to consolidate and incorporate the terms, provisions and conditions of the Prior Lease as if set forth in full herein, as if the Premises under the Prior Lease (the "***Prior Premises***") was the same as the Premises as defined hereunder, and, except as otherwise provided herein, the terms, provisions and conditions of the Prior Lease shall apply to the letting of the Premises to the Lessee hereunder.

(iii) *Continuous Possession and Occupancy*. The parties hereby acknowledge that the Lessee remains in possession of the Premises continuously from the commencement of the Prior Lease through the Commencement Date (as hereinafter defined), that the Prior Premises is the same as the Premises hereunder, and at no time did the Lessee surrender the Premises to the Port Authority.

(iv) *Survival of Prior Lease Obligations*. The Lessee shall not, by virtue of this Lease, be released or discharged from any liabilities or obligations whatsoever under the Prior Lease or any other Port Authority permits or agreements, including without

limitation any permits to make alterations, all of which shall survive. Further, all the terms, provisions and conditions of the Prior Lease and such permits and agreements shall survive and continue in full force and effect, and any breach or default under the Prior Lease or under such permits and agreements, whether prior to or after the Commencement Date, shall be deemed breaches and defaults under this Lease. Without limiting the generality of any of the foregoing, any obligations under the Prior Lease which were to mature upon the expiration or termination thereof, including any obligation to remove alterations and improvements, shall be deemed to have survived and shall mature upon the expiration or termination of this Lease.

(v) *Condition of the Space*. All references in the Prior Lease, as incorporated herein, to the condition of the "Premises" at the beginning of the period of permission shall be deemed to mean the condition of the Premises as it existed at the beginning of the term under the Prior Lease.

Section 3. **Term**

Commencement and Termination Dates. The term of the letting under this Agreement (the "***Term***") shall commence upon May 1, 2012 (the "***Commencement Date***"), and, unless sooner terminated, expire at 11:59 o'clock p.m. on April 30, 2017 (the "***Termination Date***").

Section 4. **Use of Premises**

The Lessee shall use the Premises for the following purposes only and for no other purpose whatsoever: for administrative and storage purposes related to the Lessee's business as an electrical contractor at the Airport.

Section 5. **Rental and Abatement**

(a) **Rental.** The Lessee agrees to pay to the Port Authority rental for the Premises (the "***Rental***") in the amounts provided on "Exhibit B" entitled "*Rental Table*", attached hereto and hereby made a part hereof. The Rental shall be payable in equal monthly installments as of the Commencement Date and thereafter on the first day of each calendar month throughout the Term.

(b) **Abatement.** In the event the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of the Rental, the Rental for each square foot of the Premises the use of which is denied the Lessee, shall be reduced for each calendar day or major fraction thereof at the applicable daily rate provided in "Exhibit B".

Section 6. **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 the Section of this Agreement entitled "*Rental and Abatement*".

Section 7. **Non-exclusive Areas**

(a) **Non-exclusive Areas.** In addition to the Premises, the Lessee shall have the non-exclusive privilege to use the corridors, walkway, landings, lobby, restrooms, building frontage and parking lots area in, on and about Building 141 (hereinafter, together with any and all fixtures, improvements and other property of the Port Authority located, constructed or installed or to be located, constructed or installed in or on the same, collectively called the "***Non-exclusive Areas***") upon and subject to all of the terms, provisions and conditions of this Agreement, such use to be in common with all others authorized by the Port Authority to use the same.

(b) **Maintenance and Repair.** The Port Authority shall be responsible for the maintenance and repair of all fixtures, equipment and property located in the Non-exclusive Areas.

Section 8. **Place of Payments**

All payments required of the Lessee by this Agreement shall be sent to the following address:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
P.O. Box 95000-1517
PHILADELPHIA, PENNSYLVANIA 19195-1517

or via the following wire transfer instructions:

Bank: TD Bank
Bank ABA Number: 031201360
Account No.: (Ex. 1)

or to such other address as may be substituted therefor by notice by the Port Authority to the Lessee from time to time.

Section 9. **Late Charges**

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including but not limited to, any payment of rental or any payment of utility or other charges, 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 during each calendar year; 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. 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 to 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 the Section of this Agreement entitled "*Rental and Abatement*." 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 but not limited to, the Port Authority's rights set forth in the Section of this Agreement entitled "*Right of Re-entry*" 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 charges then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 10. **<u>Security Deposit</u>**

(a) **Security Deposit**

(i) *Required Security Amount*. The amount required as a security deposit (the "***Required Security Deposit***") hereunder is Six Thousand Dollars and No Cents ($6,000.00) (the "***Required Security Deposit Amount***"). If the amount of said Required Security Deposit is less than $20,000.00, upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deposit with the Port Authority (and shall keep deposited throughout the effective term under this Agreement) the Required Security Deposit, either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, 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.

(ii) *Requirements for Bonds*. 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 bonds 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 an irrevocable 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 Required Security 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.

(iii) *Use of Deposit*. 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 Required Security 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 Required Security 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 Required Security Deposit to the Required Security Deposit Amount. In the event that the Port Authority shall at any time or times so use the Required Security Deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the Required Security Deposit 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 Required Security Deposit at all times to the Required Security Deposit Amount, and such additional deposits shall be subject to all the conditions of this Section.

(iv) *No Encumbrance*. The Lessee agrees that it will not assign or encumber the deposit.

(v) *Interest*. 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 hereafter 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.

(vi) *Return of Deposit*. After the expiration or earlier revocation or termination of the effective term under this Agreement, and upon condition that the Lessee shall then be in no wise in default under any part of this Agreement, and upon written request therefor by the Lessee, the Port Authority will return the Required Security 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.

(vii) *Tax Number*. For the purposes of the foregoing provisions, the Lessee hereby certifies that its federal Taxpayer Identification Number is (Ex. 1)

(b) **Letter of Credit**

(i) *Letter of Credit in Lieu of Security Deposit.* In lieu of the Required Security Deposit made in the form described above in paragraph (a)(i), the Lessee may at any time during the effective term granted under this Agreement offer to deliver to the Port Authority, as security for all obligations of the Lessee under this Agreement, 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, in favor of the Port Authority in the amount of the Required Security Deposit.

(ii) *Form and Terms.* The form and terms of such letter of credit, as well as the institution issuing it (which shall be an investment-grade rated bank), shall be subject to the prior and continuing approval of the Port Authority; **the form of any proposed letter of credit shall be submitted to the Port Authority in advance for review and approval by its Credit, Collection and Accounts Receivable unit.** Such letter of credit shall provide that it shall continue throughout the effective term granted under this Agreement 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 letter.

(iii) *Return of Any Existing Security Deposit.* 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 Required Security Deposit, if any, theretofore made under and in accordance with the provisions of the foregoing paragraph (a). The Lessee shall have the same rights to receive such Required Security Deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the effective term granted under this Agreement and fulfillment of the obligations of the Lessee hereunder.

(iv) *Cancellation; Drawdowns.* 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 the Required Security Amount or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security under the foregoing paragraph (a). 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.

(v) *Failure to Provide Letter of Credit.* Following the Port Authority's acceptance of a letter of credit in lieu of the security deposit required pursuant to the foregoing paragraph (a), any failure to provide such a letter of credit at any time during the effective term granted under this Agreement, 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 on the part of the Lessee.

(vi) *No Waiver.* 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 deemed to be a waiver of any default by the Lessee under the terms of this Agreement, and all remedies under this Agreement consequent upon such default shall not be affected by the existence of, or a recourse to, any such letter of credit.

(c) **Letter of Credit Required**. Provided that the Required Security Deposit Amount is equal to or greater than $20,000.00, upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall 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 on its part to be fulfilled, kept, performed or observed, a letter of credit pursuant to and in compliance with paragraph (b) of this Section.

(d) **Adjustment of Required Security Deposit Amount**. The Lessee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon sixty (60) days' notice to the Lessee, to adjust the Required Security Deposit Amount but in no event would the adjusted amount equal more than three months of fees that would be payable to the Port Authority. Not later than the effective date set forth in said notice by the Port Authority, the Lessee shall furnish additional cash or bonds, as provided for in paragraph (a) above, or an amendment to, or a replacement of, the letter of credit providing for such adjusted Required Security Deposit Amount, as the case may be, and such additional cash and/or bonds or adjusted (or replaced) letter of credit shall thereafter constitute the Required Security Deposit required under this Section.

(e) **Obligations Under Other Agreements**. If the Lessee is obligated by any other agreement ("***Other PA Agreement***") to maintain a security deposit with the Port Authority to insure payment and performance by the Lessee of all fees, rentals, charges and other obligations which may become due and owing to the Port Authority arising from the Lessee's operations at the Airport (or other Port Authority facility) pursuant to any such Other PA Agreement or otherwise, then all such security deposit-related obligations under such Other PA Agreement, and any deposit pursuant thereto, also shall be deemed obligations of the Lessee under this Agreement and as security hereunder, as well as under any such Other PA Agreement. All provisions of such Other PA Agreement with respect to security deposit-related obligations, and any obligations thereunder of the Port Authority as to the security deposit, are hereby incorporated herein by this reference as though fully set forth herein and hereby made a part hereof. It is understood that the term Other PA Agreement refers both to agreements entered into prior to, or as of, the effective date of this Agreement, as well as agreements hereinafter entered into.

Section 11. **<u>Condition of Premises</u>**

(a) **As-Is.** The Lessee hereby 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.

(b) **Survival.** All the obligations of the Lessee under this Section with respect to the aforesaid responsibilities, risks, costs and expenses assumed by the Lessee shall survive the expiration or termination of this Agreement.

Section 12. Lessee's Rights Non-Exclusive

Except as expressly provided herein with respect to the Premises, neither the execution of this Agreement by the Port Authority nor anything contained herein shall grant or be deemed to grant to the Lessee any exclusive rights or privileges.

Section 13. 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 now be subject, and 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, light, power, telegraph, telephone, steam, or transportation services and of The City of New York and State of New York; and (iii) permits, licenses, regulations and restrictions, if any, of the United States, The City of New York or State of New York or other governmental authority.

Section 14. Rights of Entry Reserved

(a) **Inspection and Performance of Obligations.** 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.

(b) **Utility Maintenance.**

(i) 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 persons other than the Lessee at the Airport, to maintain existing and future sewerage, utility, mechanical, electrical and other systems or portions thereof on the Premises, including but not limited to, systems for the supply of heat, water, gas, fuel, electricity and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, telegraph and telephone service, including all lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to such 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.

(ii) 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 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.

(c) **No Liability.** 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 during the letting 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 sole affirmative, willful acts of the Port Authority, its employees, agents and representatives).

(d) **Preparation for New Lease.**

(i) 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.

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

(e) **No Eviction.** 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 15. **<u>Services to the Lessee</u>**

(a) **No Obligation to Provide Utilities.** Except as provided in this Section, the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Lease or the use and occupancy of the Premises hereunder.

(b) **Services Provided by the Port Authority.**

(i) *Heat*. The Port Authority shall sell, furnish and supply to the Lessee heat to a comfortable working temperature during the months November to April, inclusive. The Port Authority's obligation hereunder shall be limited by the safe and efficient operating capacity of the existing heating system serving the building of which the Premises is a part. The Port Authority shall not be responsible for variations in temperature or loss or lack of heat resulting from the installation of partitions in the Premises or from the failure of the Lessee, or of others occupying space in said building, to keep doors, windows and other exterior openings closed.

(ii) *Air Cooling and Chilled Water*. The Port Authority shall sell, furnish and supply to the Lessee cooled air and chilled water to provide a comfortable working temperature. The Port Authority's obligation hereunder shall be limited by the safe and efficient operating capacity of the existing cooling system serving the building of which the Premises is a part. The Port Authority shall not be responsible for variations in temperature or loss or lack of cooled air resulting from the installation of partitions in the Premises or from the failure of the Lessee, or of others occupying space in said building, to keep doors, windows and other exterior openings closed.

(iii) *Electricity*. The Port Authority shall sell, furnish and supply to the Lessee in reasonable quantities and to the extent of the capability of existing facilities for use on the Premises, and the Lessee agrees to take from the Port Authority, electricity of the same voltage, phase and cycle as supplied to the Premises by the public utility in the vicinity, through existing wires, conduits and outlets, if any. The Port Authority shall not discontinue the supply of electricity except upon fifteen (15) days' notice to the Lessee and unless a supply of electricity of the same voltage, phase and cycle shall be available from another supplier and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such current after the expiration of said fifteen (15) days from any other person, firm or corporation.

(iv) *Restrooms*. The Port Authority will furnish non-exclusive toilet and washroom facilities for the employees of the Lessee.

(c) **No Services.** The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. The Port Authority shall not be obligated to perform or furnish any service whatsoever in connection with the Premises at any time while the Lessee shall be in default hereunder or has breached any of the provisions hereof after the period, if any, herein granted to cure such default shall have expired. The Port Authority shall give the Lessee five (5) days' notice prior to terminating any service.

(d) **Governmental Utility Charges.** If any federal, state, municipal or other governmental body, authority or agency, or any public utility or other entity providing any service, assesses, levies, imposes, makes or increases any charge, fee, rent or assessment on the Port Authority, for any service, system or utility now or in the future supplied to or available at the Premises or to any tenant, lessee, occupant or user thereof, or to the structures or buildings, which, or a portion or portions of which, are included in the Premises, the Lessee shall, at the option of the Port Authority exercised at any time and from time to time by notice to the Lessee, pay, in accordance with any such notice, such charge, fee, rent or assessment or such increase thereof (or the portion thereof allocated by the Port Authority to the Premises or to the operations of the Lessee under this Agreement) either directly to the governmental body, authority or agency, or to the public utility or other entity, or directly to the Port Authority, as such notice may direct. All such payments shall constitute items of additional rent.

(e) **Service Interruptions.** No failure, delay or interruption in any service or services, whether such service or services shall be supplied by the Port Authority or by others, shall relieve or be construed to relieve the Lessee of any of its obligations hereunder, or shall be or be construed to be an eviction of the Lessee, or shall constitute grounds for any diminution or abatement of the rental or rentals payable under this Agreement, or grounds for any claim by the Lessee for damages, consequential, or otherwise.

(f) **Extermination Services.** In the event the Port Authority shall provide extermination service for the enclosed areas of the Premises, the Lessee agrees to utilize the same and to pay its pro rata share of the reasonable cost thereof, upon demand. This paragraph does not impose any obligation on the Port Authority to furnish such service.

Section 16. Construction by the Lessee

(a) **Tenant Construction and Alteration Process.** The Lessee shall not erect any structures, make any improvements or do any other construction work on the Premises or alter, modify or make additions, improvements or repairs to or replacements of, any structure now existing or built at any time during the letting, or install any fixtures without the prior consent of the Port Authority (any such work to be hereinafter referred to as the "***Construction Work***"), which shall be subject to the Lessee's submission of the Tenant Alteration Application to the Port Authority for its approval pursuant to and in compliance with the Tenant Construction and Alteration Process, containing such terms and conditions as the Port Authority may include, setting forth in detail by appropriate plans and specifications the work the Lessee proposes to perform and the manner of and time periods for performing the same, including without limitation a schedule listing each contract proposed to be entered into for the performance of the work and the estimated cost of the work to be performed under each such contract. Except for the Lessee's personal property, in the event any construction, improvement, alteration, modification, addition, repair or replacement is made, with or without the Port Authority's consent, and unless the consent of the Port Authority shall expressly provide otherwise, the same shall immediately become the property of the Port Authority, and the Lessee shall have no right to remove the same either during the letting or at the expiration thereof unless the Port Authority, at any time prior to the expiration of the term of the letting, or any extension or renewal thereof, shall give notice to the Lessee to remove the same, or to cause the same to be changed to the satisfaction of the Port

Authority, in which case the Lessee agrees to remove the same, or change it in compliance with such notice. 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 hereby agrees to pay the cost thereof to the Port Authority upon demand.

(b) **Affirmative Action Schedules.** If the Lessee performs any Construction Work on or under the Premises, it must comply with Schedules E and F attached hereto.

Section 17. <u>Care, Maintenance, Rebuilding and Repair by the Lessee</u>

(a) **Maintenance and Repair.** The Lessee shall, throughout the term of this Agreement, 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:

(i) 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;

(ii) Take good care of the Premises and maintain the same at all times in good condition, except for reasonable wear and tear, perform all necessary preventive maintenance, including but not limited to, painting (the exterior of the structures on 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, subject to and in accordance with the provisions of the Section of this Agreement entitled "*Construction by the Lessee*", 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;

(iii) Without limiting its obligations elsewhere in this Section, the Lessee agrees to perform all decorating and painting (including redecorating and repainting) so that at all times the Premises and all parts thereof are in first class appearance and condition;

(iv) 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 the Sections of this Agreement entitled "*Compliance with Governmental Requirements*" and "*Rules and Regulations*";

(b) **Failure to Maintain or Repair.** In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild or paint within a period 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 or repair other than preventive maintenance, or within a period of twenty (20) 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 18. **Signs**

(a) **Exterior Signs.** 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) **Removal of Signs.** 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. **Non-liability of Individuals**

No Commissioner, director, shareholder, 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 20. **Indemnity and Liability Insurance**

(a) **Indemnity.**

(i) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's reasonable costs and 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 use or occupancy of the Premises or the Non-exclusive Areas by the Lessee or by others with its consent or out of any of the acts or omissions of the Lessee, its officers, employees, guests, invitees and other persons who are doing business with the Lessee or who are at the Premises with the consent of the Lessee or arising out of the acts or omissions of the Lessee, its officers and employees elsewhere at the

Airport (excepting only claims and demands arising from the sole willful acts of the Port Authority), including claims and demands of The City of New York from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City.

(ii) 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 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.

(b) **Liability Insurance.**

(i) 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 and The City of New York as an additional insured shall maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance, including products-completed operations, Premises-operations, and covering bodily injury, including death, and property damage liability, Warehouseman's Legal Liability, and Fire Legal Liability, and providing for coverage in the limit set forth below; and, if applicable, Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and providing for coverage in the limit set forth below; and Workers' Compensation Insurance in accordance with the requirements of law. All the aforesaid liability 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 but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority thereunder as an additional insured. In addition, all the aforesaid liability 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 shall be the same as the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person as if the Port Authority were the named insured thereunder. The said liability policy or policies of insurance, where applicable, shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph (a) hereof.

	General Minimum Limits
Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability:	$2,000,000.00

Commercial Automobile Liability
Combined single limit per occurrence for death, bodily injury and property damage liability: $2,000,000.00

Without limiting the provisions hereof, in the event the Lessee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority and The City of New York shall be included therein as additional insureds to the full extent of all such insurance in accordance with all the terms and provisions hereof.

(ii) 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 an increase in the minimum limits, or 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 reasonably deem required and the Lessee shall promptly comply therewith.

(iii) As to all insurance required hereunder, a certified copy of each policy or a certificate evidencing the existence thereof, or a binder, shall be delivered to the Port Authority within thirty (30) days after the execution of this Agreement. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall be specifically endorsed to state that the policy may not be cancelled, terminated, changed or modified, without giving thirty (30) days' written notice thereof to the Port Authority. Evidence of a renewal policy shall be delivered to the Port Authority at least thirty (30) days prior to the expiration date of each expiring policy. Each such copy or 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 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. 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 21. <u>Insurance</u>

(a) **Property Insurance.** The Lessee shall, during the term of this Agreement, insure and keep insured to the extent of the full Replacement Cost thereof, all buildings,

structures, improvements, installations, facilities and fixtures now or in the future located on the Premises when the same are located on the Premises against all risks of physical loss or damage, including loss against flood and earthquake, if available, and if not available, then against such hazards and risks as may now or in the future be included under a standard form of fire and extended coverage insurance policy available in the State of New York including damage or loss by windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles, flood, earthquake and smoke, and, if the Port Authority so requests, 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 or the Superintendent of Insurance of The State of New York 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.

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

(c) **Occurrence of Insured Event.** In the event the Premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this the Section of this Agreement entitled "*Insurance*", 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.

(d) **Policies.** As to all insurance required hereunder, a certified copy of each policy or a certificate evidencing the existence thereof, or a binder, shall be delivered to the Port Authority within thirty (30) days after the execution of this Agreement. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall be specifically endorsed to state that the policy may not be cancelled, terminated, changed or modified, without giving thirty (30) days' written notice thereof to the Port Authority. Evidence of a renewal policy shall be delivered to the Port Authority at least thirty (30) days prior to the expiration date of each expiring policy.

(e) **References to "Insurance".** Regardless, however, of the persons whose interests are insured, the proceeds of all policies covered by this the Section of this Agreement entitled "*Indemnity and Liability Insurance*" shall be applied as provided in the Section of this Agreement entitled "*Insurance*"; and the word "insurance" and all other references to insurance in said the Section of this Agreement entitled "*Insurance*"shall be construed to refer to the insurance which is the subject matter of this the Section of this Agreement entitled "*Indemnity and Liability Insurance*", and to refer to such insurance only.

(f) **Insurance Requirements.** The insurance covered by this Section shall be written by companies approved by the Port Authority, the Port Authority covenanting and

agreeing not to withhold its approval unreasonably. All insurance coverages and policies required under these Sections 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 this Agreement remains in effect. The Port Authority at any such time may make additions, deletions, amendments to or modifications of the above-scheduled insurance requirements and may require such other and additional insurance, in such reasonable amounts, against such other insurable risks and hazards, as the Port Authority may deem advisable and the Lessee shall promptly comply therewith.

Section 22. Damage to or Destruction of Premises

(a) **Damage to or Destruction of the Premises.** If the Premises or any substantial part thereof shall be destroyed or damaged as a result of any casualty, without the fault of the Lessee, its officers, members, employees, agents, representatives, contractors, or other persons at the Premises with the consent of the Lessee, so as to render it untenantable in whole or part, then:

(i) if, in the opinion of the Port Authority, the necessary repairs or rebuilding can be completed within one hundred twenty (120) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall be abated as provided in this Agreement, for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said one hundred twenty (120) days; or

(ii) if, in the opinion of the Port Authority, such repairs or rebuilding cannot be completed within one hundred twenty (120) days after the occurrence of the damage or if one or more of the structures or buildings which are a part of the Premises or the entire Premises require rebuilding, then the Port Authority shall have options: (1) to proceed with due diligence to repair or to rebuild as necessary or (2) to terminate the letting as to the damaged structure or structures, building or buildings or portion thereof only; or (3) to cancel this Agreement and terminate the letting as to the entire Premises; and the Rental payable under this Agreement shall be abated, as provided in this Agreement, either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding, or for the period from the occurrence of the damage to the effective date of termination, for the area or areas involved.

"***substantial part***" shall mean for the purpose of this Section at least twenty-five percent (25%) of the usable floor space in the structure or building or part thereof comprising the Premises, or, if there is more than one structure or building on the Premises, at least twenty-five percent (25%) of the aggregate usable floor space comprising the Premises in all of the structures and buildings covered by insurance.

(b) **Removal of Debris.** In the event of a partial or total destruction of the Premises, the Lessee shall immediately remove any and all of its property and/or debris from the Premises or the portion thereof destroyed and if the Lessee does not promptly so remove, 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.

(c) **Section 227 of the RPL.** The parties hereby stipulate that neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

Section 23. <u>Condemnation</u>

(a) **No Claims.** In any action or other proceeding by any governmental agency or agencies for the taking for a public use of any interest in all or part of the Premises, or in case of any deed, lease or other conveyance in lieu thereof (all of which are in this Section referred to as "taking or conveyance"), the Lessee shall not be entitled to assert any claim to any compensation, award or part thereof made or to be made therein or therefor or any claim to any consideration or rental or any part thereof paid therefor, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority for any such taking or conveyance, it being understood and agreed between the parties hereto that the Port Authority shall be entitled to all compensation or awards made or to be made or paid, and all such consideration or rental, free of any claim or right of the Lessee.

(b) **Termination.** In the event that all or any portion of the Premises is required by the Port Authority to comply with any present or future governmental law, rule, regulation, requirement, order or direction, the Port Authority may by notice given to the Lessee terminate the letting with respect to all or such portion of the Premises so required. Such termination shall be effective on the date specified in the notice and this Agreement shall cease and determine in the same manner and with the same effect as if the said date were the original date of expiration hereof. The Lessee hereby agrees to deliver possession of all or such portion of the Premises so required upon the effective date of such termination in the same condition as that required for the delivery of the Premises upon the date originally fixed by this Agreement for the expiration of the term of the letting. No taking by or conveyance to any governmental authority as described in paragraph (a) of this Section, nor any delivery by the Lessee nor taking by the Port Authority pursuant to this paragraph, shall be or be construed to be an eviction of the Lessee or a breach of this Agreement or be made the basis of any claim by the Lessee against the Port Authority for damages, consequential or otherwise.

(c) **Partial Taking.** In the event that the taking or conveyance covers a only of the Premises, or in the event that the letting is terminated pursuant to paragraph this Section with respect to a part only of the Premises, then the letting as to such part of the date possession thereof is taken by such agency or agencies, or as of the date of such termination, cease and determine in the same manner and with the same

effect as if the term of the letting had on that date expired, and the basic rental shall be abated as provided hereinafter.

(d) **Partial Taking Termination Right.** In the event that the taking or conveyance or the delivery by the Lessee or taking by the Port Authority pursuant to paragraph (a) of this Section covers fifty percent (50%) or more of the total usable area of the Premises including both open and enclosed space, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after such taking or conveyance to terminate the letting hereunder, 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.

Section 24. **Assignment and Sublease**

(a) Definitions. The following terms shall have the respective meanings set forth below.

(i) **"Affiliate"** shall mean any person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Lessee and any entity in which the Lessee or a shareholder of the Lessee has an ownership, licensor/licensee or franchiser/franchisee interest or relationship, but if the Lessee shall be a corporation whose voting securities shall be registered with the Securities and Exchange Commission and publicly traded on a regular basis then only such shareholder of the Lessee having an ownership interest greater than five percent (5%). The term **"control"** (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

(ii) **"Assignment"** shall mean any sale, conveyance, transfer, exchange, mortgage, assignment or other disposition of all or any portion of the Lessee's interest in this Agreement or the leasehold estate created hereby, whether directly or indirectly or by operation of law or otherwise.

(iii) **"Sublease"** shall mean any sublease (including a sub-sublease or any further level of subletting) and any occupancy, license, franchise or concession agreement applicable to the Premises or any portion thereof.

(iv) **"Transfer"** shall mean the transfer, sale, assignment, pledge, hypothecation or other disposition of any interest in the Lessee or in any direct or indirect constituent entity of the Lessee, where such disposition (whether by itself or cumulatively with other transactions) directly or indirectly produces any change in the direct or indirect Control (as defined in the definition of **Affiliate**) of the Lessee, and shall include but not be limited to (1) the sale, assignment, redemption or transfer of outstanding stock of or membership interest in, respectively, any corporation or any limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, (2) the issuance of additional stock or

membership interest in, respectively, any corporation or limited liability company that is the Lessee or that is the general partner of any partnership that is the Lessee, and (3) the sale, assignment, redemption or transfer of any general or limited partner's interest in, or the admission of a new partner to, a partnership that is the Lessee or that is a general or limited partner of any partnership that is the Lessee.

(b) **No Assignment, Transfer or Sublease without Consent.** The Lessee shall not effect or permit any Assignment, Transfer or Sublease without the prior written consent of the Port Authority.

(c) **Approved Assignment or Sublease.** Notwithstanding paragraph (b) above, the Lessee shall have the right to sublease ("***Approved Sublease***") or assign the Lease upon written consent and approval of the Port Authority.

(i) If the rental under an Approved Sublease (the "***Sublease Rental***") is greater than the Rental, the Lessee shall pay to the Port Authority fifty percent (50%) of that portion of the Sublease Rental that is equal to the Sublease Rental less the Rental (the "***Overage Rental***"). The Lessee shall pay the Overage Rental, if any, to the Port Authority in the same manner and simultaneously with the Lessee's payment of the Rental to the Port Authority.

(ii) For any Approved Sublease, the Lessee shall pay a sublease consent fee to the Port Authority that is equal to ten percent (10%) of the gross amount payable to the Lessee under the Approved Sublease (the "***Sublease Fee***").

(d) **Unauthorized Transactions Null and Void.** Any Sublease, Assignment or Transfer, including without limitation any sale, assignment, transfer, mortgage, pledge, hypothecation, encumbrance or disposition of the Premises or of the rents, revenues or any other income from the Premises, or this Agreement or any part hereof, or any license or other interest of the Lessee herein not made in accordance with the provisions of this Agreement shall be null and void ab initio and of no force or effect.

(e) **Management and Other Agreements.** The Lessee further covenants and agrees not to enter into any management agreement, service agreement or any other similar type of agreement for the Premises without the prior written consent of the Port Authority. Any sublease, assignment, transfer, mortgage, pledge, hypothecation, encumbrance or disposition of the Premises or of the rents, revenues or any other income from the Premises, or this Lease or any part hereof, or any license or other interest of the Lessee herein is not made in accordance with the provisions of this Lease shall be null and void ab initio and of no force and effect.

(f) **Port Authority's Right to Collect Rent.** If without the prior written consent of the Port Authority, the Lessee effects any Assignment, Transfer or Sublease, 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.

(g) **Continuing Application of Consent Requirement.** Any consent granted by the Port Authority to any Assignment, Transfer or Sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority with respect to any other Assignment, Transfer or Sublease.

(h) **Use of Premises.** 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 the Section hereof entitled "*Use of Premises*". 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, contractors and representatives.

Section 25. **Events of Default**

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

(i) 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 of all or substantially all of its property; or

(ii) 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

(iii) 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

(iv) 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

(v) Any lien is filed against the Premises because of any act or omission of the Lessee and shall not be discharged of record, or by bonding through an insurance company duly authorized to write such bonds in New York State, within thirty (30) days after the Lessee has received notice thereof; or

(vi) Except as expressly permitted in the Section of this Agreement entitled "*Assignment and Sublease*" of this Agreement, 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, any other person, firm or corporation; or

(vii) 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 sixty (60) days after the filing thereof; or

(viii) Except as otherwise provided in the Section of this Agreement entitled "*Assignment and Sublease*", 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

(ix) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to pay rentals or fees or to make any other payment required hereunder for a period of fifteen (15) days after receipt of notice by it from the Port Authority to make such payment; or

(x) 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 thirty (30) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time and the Lessee shall have commenced to perform whatever may be required for fulfillment within thirty (30) 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 there-after during the continuance thereof, the Port Authority may upon twenty (20) 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) In the event the Port Authority exercises its right to revoke or terminate this Agreement for any reason other than "without cause", the Lessee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation or termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority,

the cleaning, repair or restoration of any space which may be used and occupied under this Agreement (on failure of the Lessee to have it cleaned, repaired or restored), the care and maintenance of such space during any period of non-use of the space, 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), repairing the space and putting the space in order (such as but not limited to repairing, cleaning and restoring the same). Unless sooner revoked or terminated, such permission shall expire in any event upon the Expiration Date. Revocation or termination shall not relieve the Lessee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.

(c) **No Waiver.**

(i) 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.

(ii) 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.

(iii) 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. <u>Right of Re-entry</u>

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in the Section of this Agreement entitled "*Events of Default*", 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 other-wise. 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. <u>Waiver of Redemption</u>

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) **Survival of Rent and Damages.** In the event that the letting shall have been terminated in accordance with a notice of termination as provided in the Section of this Agreement entitled "*Events of Default*", or the interest of the Lessee canceled 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 the Section of this Agreement entitled "*Right of Re-entry*", all the rental 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) **Calculation of Damages.** 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:

(i) The amount of the total of all rentals less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first 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 said month, and

(ii) An amount equal to all expenses reasonably incurred by the Port Authority in connection with regaining possession and restoring and reletting the Premises, for legal expenses, putting the Premises in order, including but not limited to, cleaning, decorating and restoring (on failure of the Lessee to restore), maintenance and brokerage fees.

(iii) The amount of any additional rent due and owing to the Port Authority pursuant to the Section of this Agreement entitled "*Additional Rent and Charges*".

Section 29. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to the Section of this Agreement entitled "*Events of Default*", or upon any re-entry, regaining or resumption of possession pursuant to the Section of this Agreement entitled "*Right of Re-entry*", may occupy the 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 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 the Section of this Agreement entitled "*Event of*

Default", or upon its re-entry, regaining or resumption of possession pursuant to the said the Section of this Agreement entitled "*Right of Re-entry*", have the right to repair or to make structural or other changes in the Premises, including changes which alter the character of 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 hereunder 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 (except to the extent the same have been paid or reimbursed by the Lessee pursuant to subparagraph (b) (2) of the Section of this Agreement entitled "*Survival of the Obligations of the Lessee*"). No such reletting shall be or be construed to be an acceptance of a surrender.

Section 30. <u>Remedies to be Non-Exclusive</u>

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. <u>Surrender</u>

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, except for reasonable wear arising from the permitted use of the Premises by the Lessee which does not cause or tend to cause deterioration of the Premises or adversely affect the efficient or proper utilization thereof, and all of the Premises shall be free and clear of all liens, encumbrances, and security interests and of any rights of any sublessees or other occupants of the Premises.

Section 32. <u>Acceptance of Surrender of Lease</u>

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. Removal of Property

The Lessee shall have the right at any time during the letting to remove its equipment, inventories, trade fixtures and other fixtures removable without material damage to the Premises, and other personal property from the Premises. If the Lessee shall fail to remove its property on or before the termination or expiration of the letting, 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 34. 30-Day Right of Termination Without Cause

Notwithstanding the foregoing, the Port Authority shall have the right at any time, without cause, to terminate this Agreement and the Term upon thirty (30) days' prior written notice to the Lessee. Termination hereunder shall not relieve either party of any liabilities or obligations under this Agreement which shall have accrued on or prior to, or which shall take effect on, the effective date of termination. Termination hereunder shall have the same effect as though such date were the original expiration date of this Agreement. The foregoing rights of termination shall be without limitation as to the right of the Port Authority to terminate this Agreement pursuant to the Section hereof entitled "*Events of Default*" or otherwise.

Section 35. Compliance with Governmental Requirements

(a) **Compliance.** The Lessee shall comply with all laws and ordinances and governmental rules, regulations, orders and directions which may pertain or apply to (i) the Premises, (ii) the operations of the Lessee on the Premises hereunder or the Airport, (iii) the occupancy or use of the Premises or (iv) with regard to Environmental Requirements only, property outside the Premises as a result of the Lessee's use and occupancy of the Premises or a migration of Hazardous Substances from the Premises. The Lessee shall make any and all structural and non-structural improvements, alterations or repairs of the Premises and perform all Remediation work and cleanup of Hazardous Substances required in order to fully satisfy the compliance obligations set forth herein.

(b) **Authorizations.** 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.

(c) **Purposes of Requirements.** 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 is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(d) **Authorized Non-Compliance.**

(i) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of The City of New York and its various departments, boards and bureaus 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, the Lessee shall comply with all such enactments, ordinances, resolutions and regulations which would be applicable to its operations hereunder if the Port Authority were a private corporation, 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 which are applicable only because of the Port Authority's agreement in the Basic Lease. 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 non-compliance with such enactment, ordinance, resolution or regulation.

(ii) 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.

(iii) 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 36. <u>Rules and Regulations</u>

The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees and those doing business with it to observe and obey) the Rules and Regulations of the Port Authority in effect as of the execution of this Agreement and such reasonable future Rules and Regulations and amendments and supplements to existing Rules and Regulations 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 guests, invitees and business visitors 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.

Section 37. <u>Various Obligations of the Lessee</u>

(a) **Operate in a Proper Manner.** The Lessee shall conduct its operations hereunder in an orderly and proper manner so as not to annoy, disturb or be offensive to others at or off the Airport. The Lessee shall take all reasonable measures to eliminate vibrations originating on the Premises 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.

(b) **Operate in a Safe Manner.** 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 Lessee's industry in the United States.

(c) **Port Authority Oversight.** 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) **Removal of Waste.** 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 waste materials 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 tight fitting 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.

(e) **Fire Safety.** 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, fire-alarm and smoke detection systems and any other fire protection systems which constitute a part of the Premises. The Lessee shall keep in proper functioning order all fire-fighting equipment, fire alarm and smoke detection equipment on the Premises. The Lessee shall at all times maintain on the Premises adequate stocks of fresh, usable chemicals for use in such systems 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.

(f) **Safety Standards.** 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 this 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 this Agreement 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.

Section 38. <u>Prohibited Acts</u>

(a) **Unlawful Acts.** The Lessee shall commit no unlawful nuisance, waste or injury on the Premises or at the Airport 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 or at the Airport.

(b) **Odors.** 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.

(c) **Utility Interference.** 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, fuel system, electrical system, 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) **Safety Violations.** The Lessee shall not itself do nor shall the Lessee give its permission to any other to do any act or thing upon the Premises or at the Airport (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 the Section of this Agreement entitled "*Use of Premises*" 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 Insurance Services Offices of New York and the National Fire Protection Association, 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 the Section of this Agreement entitled "*Construction by the Lessee*", 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 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 the Section of this Agreement entitled "*Use of Premises*", then the Lessee shall pay to the Port Authority, as an item of additional rent, 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) **Waste.** The Lessee shall not dispose of nor permit any one to dispose of any waste material (whether liquid or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the Premises or on the Airport except after treatment in installations or equipment included in plans and specifications submitted to and approved by the Port Authority.

(f) **Storage of Harmful Items.** The Lessee shall not keep or store during any 24-hour period flammable liquids within any enclosed portion of the Premises 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 F. shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories or the Factory Mutual Insurance Association.

(g) **Automotive Operation.** The Lessee shall not 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 or item of automotive equipment is equipped with a proper spark-arresting device which has been approved by the Port Authority.

(h) **Vending Machines.**

(i) With the exception of a lunchroom for its employees, 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, unless the Lessee obtains the prior written consent of the Port Authority.

(ii) 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, 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) **Floor Overload.** The Lessee shall not overload any floor and shall repair any floor, including supporting members, and any paved area damaged by overloading. Nothing in this paragraph (j) 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.

(j) **Cleaning Materials.** The Lessee shall not use any cleaning materials having a harmful or corrosive effect, on any part of the Premises.

(k) **Use of Structural Supports.** The Lessee shall not use or permit the use of any truss or structural supporting member of the building or roof or any part thereof for the storage of any material or equipment, or to hoist, lift, move or support any material or equipment or other weight or load, by means of said trusses or structural supporting members, without the prior written approval of the Port Authority.

Section 39. **<u>OFAC Compliance</u>**

(a) **Lessee's Representation and Warranty**. The Lessee hereby represents and warrants to the Port Authority that the Lessee (x) is not a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Assets Control ("***OFAC***") of the United States Department of the Treasury (including, without limitation, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other regulation relating to national security or foreign policy (including, without limitation, Executive Order 13224 of September 23, 2001, *Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism*), or other governmental action related to national security, the violation of which would also constitute a violation of law, such persons being referred to herein as "***Blocked Persons***" and such regulations, statutes, executive orders and governmental actions being referred to herein as "***Blocked Persons Laws***") and (y) is not engaging in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. The Lessee acknowledges that the Port Authority is entering into this Supplemental Agreement 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 Supplemental Agreement.

(b) **Lessee's Covenant.** Lessee covenants that (i) during the term of the Lease it shall not become a Blocked Person, and shall not engage in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. In the event of any breach of the aforesaid covenant, the same shall constitute an event of default and, accordingly, a basis for termination of the Lease by the Port Authority, in addition to any and all other remedies provided under the Lease or at law or in equity, which does not constitute an acknowledgement by the Port Authority that such breach is capable of being cured.

(c) **Lessee's Indemnification Obligation.** 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 Supplemental Agreement. 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.

(d) **Survival.** The provisions of this Section shall survive the expiration or earlier termination of the term of the letting hereunder.

Section 40. <u>Effect of Basic Lease</u>

(a) **Rights of Lessee.** The Lessee acknowledges that it has received, and is familiar with the contents of, a copy of the Basic Lease. The rights of the Port Authority in the Premises are those granted to it by the Basic Lease, and no greater rights are granted or intended to be granted to the Lessee than the Port Authority has power thereunder to grant.

(b) **Basic Lease Requirements.** In accordance with the provisions of the Basic Lease, the Port Authority and the Lessee hereby agree as follows:

(i) This Agreement is subject and subordinate to the Basic Lease and to any interest superior to that of the Port Authority;

(ii) The Lessee shall not pay rent or other sums under this Agreement for more than one (1) month in advance (excluding security and other deposits required under this Agreement);

(iii) With respect to this Agreement, the Lessee on the termination of the Basic Lease will, at the option of The City of New York, attorn to, or enter into a direct lease on identical terms with, The City of New York;

(iv) The Lessee shall indemnify The City of New York, as third party beneficiary hereunder, with respect to all matters described in Section 31 of the Basic Lease that arise out of the Lessee's operations at the Airport, or arise out of the acts or omissions of the Lessee's officers, employees, agents, representatives, contractors, customers, business visitors and guests at the Airport with the Lessee's consent;

(v) The Lessee shall not use the Premises hereunder for any use other than as permitted under the Basic Lease;

(vi) The Lessee shall use, operate and maintain the Premises in a manner consistent with the Port Authority's obligations under Section 28 of the Basic Lease;

(vii) The failure of the Lessee to comply with the foregoing provisions shall be an event of default under this Agreement, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate this Agreement and exercise any other rights that the Port Authority may have as the landlord hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Lessee pursuant to this Agreement.

Section 41. <u>Compliance with Basic Lease</u>

The Lessee hereby acknowledges that the terms and provisions of the Basic Lease requires or may require certain modifications to this Agreement, specifically those relating to condemnation, indemnity and insurance. The Lessee covenants and agrees that upon delivery to it by the Port Authority of an amendment to this Agreement which sets forth said modifications which the Port Authority deems are appropriate or necessary for full compliance with the Basic Lease, the Lessee shall immediately execute said amendment and return same to the Port Authority. A failure by the Lessee to so execute and return said amendment shall constitute a material breach of this Agreement.

Section 42. <u>Federal Airport Aid</u>

(a) **Non-Discrimination.** The Lessee shall:

(i) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor;

(ii) Furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and

(iii) Charge fair, reasonable and non-discriminatory prices for each unit of sale or service.

(b) **Service.** As used in paragraph (a) above, "service" shall include furnishing parts, materials and supplies (including sale thereof).

(c) **Grants.** 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 and may hereafter be amended and supplemented or superseded by similar federal legislation, 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 undertaken 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, promises and obligations contained in this Section and in the Section of this Agreement entitled "*Non-Discrimination*", is therefore a special consideration and inducement to the execution 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 the Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Lessee of such covenants, promises and obligations, the Lessee will promptly comply therewith, at the time or times when and to the extent that the Port Authority may direct.

Section 43. <u>Method of Operation</u>

(a) **Operation Standards.** Consistent with the provisions of the Section of this Agreement entitled "*Use of Premises*", 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, and that it will furnish the foregoing 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.

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

(c) **Management.** The Lessee shall at all times during the letting hereunder cause to be maintained a full, adequate, experienced and proficient management staff all of whom (as well as other employees of the Lessee) shall be reputable and of good character. No individual shall be knowingly employed or retained by or on behalf of the Lessee if he or she has been convicted of a serious misdemeanor or a felony.

Section 44. <u>Non-Discrimination</u>

(a) **Lease Covenants.** Without limiting the generality of any of the provisions of this 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, creed, color, national origin, sex, age, disability or marital status shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises by it, (2) that in the construction of any improvements

on, over, or under the Premises and furnishing of services thereon by it, no person on the ground of race, creed, color, national origin, sex, age, disability or marital status shall be excluded from participation in, denied the benefits of, or otherwise be subject 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, Non-discrimination 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) **Subcontract Agreements.** 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 covenant.

(c) **Non-Compliance.** The Lessee's non-compliance 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 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 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 the foregoing, the Port Authority may take such action as the United States may direct.

(d) **Indemnification.** 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 non-compliance 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) **No Additional Rights.** 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 45. **Affirmative Action**

(a) **Affirmative Action Program.** 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 shall on the grounds of race, creed, color, national origin, sex, age, disability or marital

status 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.

(b) **Federal Requirements.** The Lessee specifically acknowledges and agrees that the Federal requirements set forth in Schedules E and F may be revised or updated from time to time and that, accordingly, the Port Authority may from time to time, by notice to the Lessee, provide to the Lessee revised or updated forms of Schedules E and/or F to replace the Schedules E and/or F, as applicable, currently attached to and forming a part of this Agreement. Such replacement Schedules E and F shall, from the effective date of such notice, be deemed to constitute an integral part of this Agreement. The Lessee further specifically acknowledges that the same revision or updating of Federal requirements may occur from time to time with respect to the regulations set forth in 49 CFR Part 23 of the Department of Transportation Office of the Secretary.

Section 46. <u>Environmental Compliance</u>

(a) **No Release of Hazardous Substances.** The Lessee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on, or under the Premises or into any ditch, conduit, stream, storm sewer, or sanitary sewer connected thereto or located at the Airport. Any Hazardous Substance disposed of, released or discharged by the Lessee (or permitted by the Lessee to be disposed of, released or discharged) on the Premises or at the Airport, shall upon notice by the Port Authority to the Lessee and subject to the provisions of all Environmental Requirements be completely removed and/or Remediated by the Lessee.

(b) **Compliance with Environmental Requirements.** Without limiting the Lessee's obligations elsewhere under this Agreement to comply with all laws, ordinances, governmental rules, regulations and orders which were or at any time are in effect during the term, the Lessee understands and agrees that, except as provided in paragraph (d) of this Section, it shall be obligated, at its cost and expense, to comply with, and relieve the Port Authority from compliance with, all Environmental Requirements which are applicable to or which affect (w) the Premises, (x) the operations of, or work performed by, the Lessee or others with the consent of the Lessee at the Premises or the Lessee's operations at the Airport, (y) the occupancy and use of the Premises by the Lessee or by others with its consent or (z) any Hazardous Substance which has migrated from the Premises. Nothing in the foregoing shall be construed as a submission by the Port Authority to the application to itself of any Environmental Requirements; provided, however, that no immunity or exemption of the Port Authority from any Environmental Requirements shall excuse compliance or be grounds for noncompliance on the part of the Lessee. Without limiting the generality of the foregoing and as part of the Lessee's fulfillment of the foregoing obligations, the Lessee shall be responsible, at its sole cost and expense and subject to the direction of the Port Authority, for:

(i) the preparation of and submission to all applicable Governmental Authorities of any notice, negative declaration, remedial action workplan, no further action letter, Remediation agreement or any other documentation or information;

(ii) the obtaining of any surety bond or the giving of any other financial assurances; and

(iii) complying with the provisions of all Environmental Requirements becoming effective on or relating to the termination, expiration or surrender of the letting of the Premises or of any portion thereof under this Agreement, or on the closure or transfer of the Lessee's operations at the Premises.

(c) **Acts by the Port Authority.** Notwithstanding the foregoing, it is hereby agreed and understood that the Lessee shall not be responsible for the Remediation or removal of Hazardous Substances in the soil or ground water in, on or under the Premises caused by the sole acts or omissions of the Port Authority on or after the Commencement Date.

(d) **Asbestos Abatement And Removal.** If any asbestos or asbestos-containing materials requires removal, abatement or Remediation pursuant to any Environmental Requirement is or becomes located in any structures (whether above-grade or below-grade) on the Premises, the Lessee shall conduct the complete abatement and removal of all of such asbestos and asbestos-containing materials located in all structures (whether above-grade or below-grade) and the handling, transporting and off-Facility disposal thereof (including, if required, disposal of asbestos in an off-Facility long-term asbestos disposal facility), all of the foregoing to be performed and completed in accordance with Environmental Requirements.

(e) **Port Authority Remedies.** Without limiting the Port Authority's other remedies under this Agreement or, generally, at law or equity, the Port Authority shall have the right, during and after the term, to such equitable relief, including restraining injunctions and declaratory judgments, to enforce compliance by the Lessee of its environmental obligations under this Agreement, including without limitation all the Lessee's obligations under this Section. In the event that the Lessee fails to comply with or perform any of such obligations, the Port Authority at any time during or subsequent to the termination, expiration or surrender of the letting of the Premises or any portion thereof may elect (but shall not be required) to perform such obligations, and upon demand the Lessee shall pay to the Port Authority as additional rent its costs thereof, including all overhead costs as determined by the Port Authority.

(f) **Indemnification.** Without limiting the generality of any other provision of this Agreement, and except as provided in paragraph (d) of this Section, the Lessee shall indemnify, hold harmless and reimburse the Port Authority, its Commissioners, officers, employees and representatives from all claims, demands, penalties, fines, liabilities (including strict liability), settlements, attorney and consultant fees, investigation and laboratory fees, removal and Remediation costs, court costs and litigation expenses, damages, judgments, losses, costs and expenses of whatsoever kind or nature and whether known or unknown, contingent or otherwise, just or unjust, groundless, unforeseeable or otherwise, arising or alleged to arise out of or in any way related to any Environmental Damages or any Environmental Requirement that the

Lessee is obligated to comply with pursuant to this Agreement, or the risks and responsibilities assumed hereunder by the Lessee for the condition of the Premises or a breach or default of the Lessee's obligations under this Section. If so directed, the Lessee shall at its own expense defend any suit based upon the foregoing, 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 provisions of any statutes respecting suits against the Port Authority.

(g) **Compliance Standard**

(i) Without limiting the generality of any provision of this Agreement, in the event that any Environmental Requirement sets forth more than one compliance standard, the Lessee agrees that the standard or standards to be applied in connection with any obligation it may have under this Agreement with respect to such Environmental Requirement shall be that which requires or permits the lowest level of a Hazardous Substance; provided, however, that in the event such lowest level of a Hazardous Substance (x) requires or allows the imposition of any restriction of any nature whatsoever upon the use or occupancy of the Premises or any other portion of the Airport or upon any operations or activities conducted or to be conducted on the Premises or the Airport or upon the transfer of the Premises or the Airport or (y) is not in compliance with the Basic Lease, then the Lessee shall Remediate to such a level so that there is no such restriction placed upon the use and occupancy of the Premises or the Airport or upon any operations or activities conducted or to be conducted on the Premises or the Airport and at all times in a manner the Port Authority deems in compliance with the terms of the Basic Lease.

(ii) The Lessee further agrees that, notwithstanding the terms and conditions of paragraph (i)(i) above, the Port Authority shall have the right at any time and from time to time, acting in its sole discretion and without any obligation whatsoever to the Lessee or otherwise to do so, to designate any level or levels or standard or standards of Remediation permitted or required under any Environmental Requirement, and such designation shall be binding upon the Lessee with respect to its obligations under this Agreement with respect to Environmental Requirements.

(h) **Burden of Proof.** The Lessee agrees that in any legal action or proceeding in which the Port Authority and the Lessee are opposing parties the Lessee shall have the burden of proof (as hereinafter defined) as to any and all issues of fact with respect to: (1) whether the presence of any Hazardous Substance on, about or under the Premises occurred prior or subsequent to the commencement of the term of the Prior Lease; (2) whether any Hazardous Substance disposed of or released from the Premises or which migrated from the Premises came to be present on, about or under the Premises prior or subsequent to the commencement of the term of the Prior Lease; and (3) whether the Lessee exacerbated any pre-existing environmental condition so as to cause a Hazardous Substance to first become regulated during the term of the Prior Lease or during the Term. For purposes of this Special Endorsement, "burden of proof" shall mean both the legal burden of going forward with the evidence and the legal burden of establishing the truth of any fact by a preponderance of the evidence.

(i) **Survival.** Without limiting the generality of any other term or provision of this Agreement, all of the obligations of the Lessee under this Section shall survive the expiration or earlier termination of this Agreement.

Section 47. Maintenance and Repair of the Storage Tanks.

(b) **Lessee Obligations.** Without limiting the generality of any of the provisions of this Agreement, the Lessee understands that it in connection with the Lessee's use of the Storage Tanks, it shall be responsible for maintaining and repairing the Storage Tanks, if any. The Lessee shall obtain approval of the Port Authority as to the time and manner of any maintenance, servicing or repair of the Storage Tanks. The Lessee acknowledges that the Port Authority has made no representations regarding the suitability or fitness of the Storage Tanks. In connection with the Lessee's use of the Storage Tanks, the Lessee further agrees that in connection with any leak, spill or discharge of petroleum or any other Hazardous Substance stored in the Storage Tanks or any physical characteristics of the Storage Tanks or any other part of the Premises the Port Authority has made no representations and has assumed no responsibility for, and shall not be liable to the Lessee or to third parties who may assert claims and demands against the Lessee for any personal injuries (including wrongful death) or property damage arising from or in connection with the aforesaid substances or physical characteristics of the Storage Tanks or any other part of the Premises, 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 incurred by the Lessee or asserted against the Lessee by third parties, whether legal or equitable, or from any action or cause of action, whether claimed by the Lessee or by a third party against the Lessee, arising or alleged to arise out of any leak, spill or discharge of petroleum or any other Hazardous Substance from the Storage Tanks in connection with the Lessee's use thereof, or from the failure of the Lessee to observe or perform its obligations under this Section, including without limitation, its obligations to make reports and submissions, provide information, perform cleanups and take other action.

(c) **Maintenance.** Without limiting the generality of any provision contained herein, the Lessee shall be responsible at its sole cost and expense, and subject to the direction of the Port Authority, for:

(i) the registration, certification, monitoring, reporting and testing of the Storage Tanks in accordance with the requirements of the New York State Department of Environmental Conservation and any other agency having jurisdiction;

(ii) the installation, maintenance and operation of corrosion control, containment and monitoring equipment subject to the provisions of Section 17 of this Agreement for the Storage Tanks;

(iii) the maintenance of inventory records for each use by the Lessee of the Storage Tanks regarding the transfer of petroleum or other substances; and

(iv) the preparation of and submission of all notices, including without limitation notices of loss of storage capacity and all communications all in accordance with applicable requirements of this Agreement.

Section 48. Brokerage

The Lessee and the Port Authority represent and warrant to each other that no broker has been concerned on its respective 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 and the Port Authority shall indemnify and save each other harmless 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 or to the Port Authority, as the case may be, in connection with the negotiation and execution of this Agreement.

Section 49. 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 certified or registered 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 its representative named on the first page hereof as their respective officers upon whom notices and requests may be served, and the Port Authority designates its office at 225 Park Avenue South, New York, 10003, and the Lessee designates its office as provided on the first page of this Agreement 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 three (3) days after the certified or registered mailing thereof.

Section 50. Holding Over

Without in any way limiting any provisions of this Agreement, as herein amended, unless otherwise notified by the Port Authority in writing, in the event the Lessee continues its use and occupancy of the Premises after the expiration, revocation or termination of the effective term granted under this Agreement, as herein amended, as such effective term may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Agreement or other remedies the Port Authority may have by law or otherwise, the Lessee shall pay to the Port Authority rent for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination and ending on the date that the Lessee shall surrender and completely vacate the Premises at a rate equal to twice the sum of the Rental amount as provided for in this Agreement. Nothing herein contained shall give, or be deemed to give, the Lessee any right to continue its use and occupancy of the Premises after the expiration, revocation or termination of the effective term granted under this

Agreement, as herein amended. The Lessee acknowledges that the failure of the Lessee to surrender, vacate and yield up the Premises to the Port Authority on the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Lessee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Lessee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

Section 51. **Construction and Application of Terms**

(b) **Headings.** 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.

(c) **Exhibits.** The terms, provisions and obligations contained in the Exhibit(s) and Schedule(s) attached hereto, whether they are set out in full or as amendments of or supplements to provisions elsewhere in this Agreement stated, shall have the same force and effect as if herein set forth in full.

Section 52. **Force Majeure**

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

Section 53. **Relationship of the Parties**

Notwithstanding any other term or provision hereof, 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 venture is hereby created.

Section 54. **Waiver of Trial by Jury**

The Lessee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Lessee in respect of the Premises and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Agreement. The Lessee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or 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.

Section 55. **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 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.

Section 56. **Labor Disturbances**

(d) **Prior to a Disturbance.**

(i) The Lessee shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist, which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Airport which interfere or are likely to interfere with the operation of the Airport or any part thereof by the Port Authority or with the operations of the lessees, licensees, permittees or other users of the Airport or with the operations of the Lessee under this Agreement.

(ii) The Lessee shall immediately give notice to the Port Authority (to be followed by written notice and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Lessee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

(b) **During the Occurrence of a Disturbance.** If any type of strike or other labor activity is directed against the Lessee at the Airport or against any operations pursuant to this Agreement resulting in picketing or boycott for a period of at least forty-eight (48) hours, which, in the opinion of the Port Authority, adversely affects or is likely adversely to affect the operation of the Airport or the operations of other permittees, lessees or licensees thereat, whether or not the same is due to the fault of the Lessee, and whether caused by the employees of the Lessee or by others, the Port Authority may at any time during the continuance thereof, by twenty-four (24) hours' notice, revoke this Agreement, effective at the time specified in the 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.

Section 57. **Governing Law**

This Agreement and any claim, dispute or controversy arising out of, under or related to this Agreement, the relationship of the parties hereunder, and/or the interpretation and enforcement of the rights and obligation of the parties hereunder shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to conflict of law principles.

Section 58. **Entire Agreement**

This Agreement consists of the following: Sections 1 through 58, inclusive, Exhibits A and B and Schedules E and F.

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.

[NO FURTHER TEXT ON THIS PAGE]

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 _____

Name _____

(Title) David Kagan
Assistant Director
Business Properties & Airport Development

(Seal)

ATTEST:

Secretary

AURORA ELECTRIC INC.

By Veronica Rose, President

Name V. ROSE

(Title) PRESIDENT

(Seal)

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:

EXHIBIT A

Premises
(attached hereto)

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

EXHIBIT B

Rental

	Monthly Payment	Annual Rental
May 1, 2012 - Apr. 30, 2013	(Ex. 2.a.)	
May 1, 2013 - Apr. 30, 2014		
May 1, 2014 - Apr. 30, 2015		
May 1, 2015 - Apr. 30, 2016		
May 1, 2016 - Apr. 30, 2017		

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. **AYE-197** (herein called the "Agreement") with **Aurora Electric Inc.** (herein and in the Agreement 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 Diversity and Civil Rights 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 term 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 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. 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 Agreement, 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 Diversity and Civil Rights 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 Diversity and Civil Rights, 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 Diversity and Civil Rights 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.

DM

For the Port Authority

Initialed:

For the Lessee

SCHEDULE F

LOCAL BUSINESS ENTERPRISES PROGRAM

As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require any Contractor employed in the future by the Lessee to perform construction work on the Premises, to comply with the provisions set forth hereinafter in this Schedule F.

(1) The Lessee and each contractor and subcontractor of the Lessee (herein collectively called "Contractor") shall use every good faith effort to maximize the participation of Local Business Enterprises (LBEs) in the construction work. In order to assure familiarity with the services and materials provided by LBEs, the Contractor shall attend such meetings as may be called by the General Manager of the Airport at which all bidders will be given a directory of LBEs. The Port Authority has not checked the references, capabilities or financial background of the firms listed in the directory, but will be making such directory available to the bidders solely for the purpose of advising the bidders of LBEs who may be interested in providing services and/or materials to the successful bidder.

(2) Good faith efforts to include participation by LBEs in the construction work shall include at least the following:

(i) Dividing the work to be subcontracted and services and materials to be procured into small portions, where feasible.

(ii) Meeting on a regular basis with and giving reasonable advance written notice on a monthly basis of specific subcontracting and purchasing opportunities to the Council for Airport Opportunity (CAO), Queens Air Service Development Office, and such other local business and community organizations as may be appropriate. Such notice shall be sent in sufficient time for such organizations to advise their membership and other LBEs of such opportunities.

(iii) Soliciting bids on portions of the work to be subcontracted and services and materials to be procured from firms listed in the Local Business Enterprises Directory referred to above and such other LBEs as the Lessee deems appropriate.

(3) The Port Authority is committed to making employment opportunities available to local residents and expects that the Contractor will work with the CAO to utilize the labor talent available in the local communities.

(4) It is specifically understood and agreed that the requirements set forth herein for the participation of LBEs shall not alter, limit, diminish or modify any of the obligations under this Lease including, without limitation, the obligation to put into effect the affirmative action program and the MBE and WBE programs in accordance with the provisions set forth above in Schedule E hereof.

For the Port Authority

Initialed:

For the Lessee

For the Port Authority

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

On the 22nd day of May in the year 2012, 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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(notarial 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 the Lessee

STATE OF New York)
) ss
COUNTY OF Queens)

On the 31 day of January in the year 2012, before me, the undersigned, a Notary Public in and for said state, personally appeared VERONICA ROSE, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

(notarial seal and stamp)

OLGA STEELE
Notary Public State of New York
No. 01ST6017868
Qualified in Queens County
Commission Expires December 14 2014

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

John F. Kennedy International Airport
Lease No. AYD-688

JFK MULTI-OCCUPANCY CARGO SERVICE BUILDING AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (the "Agreement"), made as of the 1st day of June, 2007, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (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 225 Park Avenue South, New York, New York 10003, and **WILLIAM R. PUCKHABER, d.b.a. Airport Press Metro NY** (the "Lessee"), an individual residing in the State of New York and having an office and place of business at Building 141, John F. Kennedy International Airport, Jamaica, New York 11430,

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 John F. Kennedy International Airport in the Borough of Queens, City and State of New York (the "Airport"), the following premises: the space on the first floor of Building No. 141 at the Airport as shown in stippling on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A", together with the buildings, structures, improvements and other property of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, all of the foregoing being hereinafter collectively called the "premises".

(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 above the heights of the structures thereon at the commencement of the term of the letting.

(c) The parties acknowledge that the premises constitute non-residential real property.

Section 2. Term

January 1, 2008 LJ WH

(a) The term of the letting shall commence on ~~November 15, 2007~~ (which date is sometimes hereinafter referred to as the "Commencement Date"), subject to postponement in accordance with the provisions of paragraph (b) of this Section, and shall, unless sooner terminated or unless extended, expire at 11:59 o'clock p.m. on the day preceding the fifth (5th) anniversary of the Rental Payment Start Date established pursuant to the provisions of paragraph (a) of Section 3 of this Agreement.

(b) If on the Commencement Date fixed in paragraph (a) of this Section the premises are not available or ready for occupancy or use by the Lessee by reason of the fact that the premises, or any part thereof, or any part of the Facility, are in the course of construction, repair, alteration or improvement or by reason of the fact that the occupant of the premises, or a part thereof, failed or refused to deliver possession or by reason of any causes or conditions beyond the control of the Port Authority, the Port Authority may postpone the letting and the Port Authority shall not be subject to any liability for such postponement or failure to give possession on such date. No such postponement or failure to give possession on such date shall affect the validity of this Agreement or the obligations of the Lessee hereunder. In the event the Commencement Date is postponed as herein provided, then the Port Authority shall tender possession of the premises to the Lessee by notice given at least five (5) days prior to the effective date of the tender and in such event the Rental Payment Start Date established pursuant to the provisions of paragraph (a) of Section 3 hereof (unless the Rental Payment Start Date is defined herein as a stated period following the Commencement Date) shall be postponed for the same number of days that the Commencement Date is postponed. Also, in such event, the expiration date of the letting (unless defined herein as a stated period following the Rental Payment Start Date) shall be postponed for a period of time equivalent to the period from the Commencement Date stated in paragraph (a) of this Section and the last day of the calendar month in which the actual Commencement Date shall fall. In the event that notice of tender of the premises is not given for possession to commence on or before three hundred sixty-five (365) days after the Commencement Date fixed in paragraph (a) of this Section, then this Agreement shall be deemed cancelled except that each party shall and does release and discharge the other party from any and all claims or demands based on this Agreement or a breach or alleged breach thereof.

Section 3. Rental

(a) As used herein, "Rental Payment Start Date" shall mean the (Ex. 2.a) following the Commencement Date established pursuant to the provisions of Section 2 of this Agreement, as such date may be postponed pursuant to the provisions of paragraph (b) of such Section. The Lessee recognizes and understands that the occurrence of the Commencement Date shall not be deemed to authorize the Lessee to commence any work in the premises unless the Port Authority's final approval of the Alteration Application and plans and specifications has been obtained by the Lessee. The Lessee further recognizes that its obligations to pay basic rental shall commence on the Rental Payment Start Date established pursuant to this subparagraph whether or not the Lessee is conducting public operations in the premises on such date.

(b) Rental

(i) From and after the Commencement Date, the Lessee shall pay to the Port Authority rental for the premises at the rate of (Ex. 2.a.) per annum.

(ii) Effective from and after the first anniversary of the Rental Payment Start Date, rental for the premises shall be adjusted during the term of the letting under the Lease in accordance with the provisions of paragraph (d) below.

(c) Time of Payments

The Lessee shall pay rental in advance in equal monthly installments commencing on the Rental Payment Start Date and on the first day of each and every calendar month thereafter until the expiration of the term of the letting hereunder. If any installment of rental payable hereunder shall be for less than a full calendar month, then the 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 the said month.

(d) Adjustment of Rental

(i) As used in this paragraph (d):

(a) "Annual Period" shall mean, as the context requires, the twelve (12) month period commencing with the Rental Payment Start Date and each of the twelve (12) month periods thereafter occurring during the term of the letting, provided, however, that if the Rental Payment Start Date occurs on other than the first day of a calendar month, the first Annual Period shall include the portion of the month in which the Rental Payment Start Date falls following such date plus the succeeding twelve (12) calendar months and each subsequent Annual Period shall commence on each anniversary of the first day of the first full calendar month following the month in which the Rental Payment Start Date occurs.

(b) "Index" shall mean the Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the Bureau of Labor Statistics of the United States Department of Labor.

(c) "Base Period" shall mean, as the context requires, the calendar month in which the Rental Payment Start Date shall occur.

(d) "Adjustment Period" shall mean, as the context requires, the calendar month preceding each Anniversary Date.

(e) "Anniversary Date" shall mean, as the context requires, the first day of the second Annual Period and the first day of each subsequent Annual Period occurring during the term of the letting under this Agreement.

(f) "Percentage Increase" shall mean the percentage of increase in the Index on each Anniversary Date, as determined by the Port Authority, equal to a fraction the numerator of which shall be the Index for the Adjustment Period immediately preceding such Anniversary Date less the Index for the preceding Adjustment Period (or the

Base Period, as the case may be) and the denominator of which shall be the Index for the Base Period.

(ii) Commencing on each Anniversary Date and continuing through to the day preceding the next Anniversary Date, or the expiration date of the letting under this Agreement, as the case may be, both dates inclusive, in lieu of the rental set forth in paragraph (b)(i) hereof, or the adjusted rental as established pursuant to the provisions of this subparagraph (ii), as the case may be, the Lessee shall pay rental for the premises at a rate equal to the greater of:

(aa) the sum obtained by adding to the rental set forth in paragraph (b)(i) hereof the product obtained by multiplying such rental amount by one-half (1/2) of the Percentage Increase for such Anniversary Date, or

(bb) the sum obtained by adding to the rental set forth in paragraph (b)(i) hereof, or the adjusted rental as established pursuant to the provisions of this subparagraph (ii), as the case may be, the product obtained by multiplying such rental amount by four percent (4%).

(iii) In the event the Index to be used in computing any adjustment referred to in subparagraph (ii) of this paragraph is not available on the effective date of such adjustment, the Lessee shall continue to pay rental at the rate then in effect subject to retroactive adjustment at such time as the specified Index becomes available, provided, however, that the Port Authority may at its option substitute for such Index the Index for the latest preceding month then published to constitute the specified Index. In the event the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) shall hereafter be converted to a different standard reference base or otherwise revised or the United States Department of Labor shall cease to publish the United States Consumer Price Index for All Urban Consumers - New York-Northern New Jersey-Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100), then for the purposes hereof there shall be substituted for the Index such other appropriate index or indices properly reflecting changes in the value of current United States money in a manner similar to that established in the Index used in the latest adjustment as the Port Authority in its discretion determines.

If after an adjustment in the rental shall have been fixed for any period, the Index used for computing such adjustment shall be changed or adjusted, then the rental adjustment for that period shall be recomputed and from and after notification of the change or adjustment, the Lessee shall make payments based upon the recomputed rental and upon demand shall pay any excess in the rental due for such period as recomputed over amounts theretofore actually paid on account of the rental for such period. If such change or adjustment results in a reduction in the rental due for any period prior to notification, the Port Authority will credit the Lessee with the difference between the rental as recomputed for that period and amounts of rental actually paid.

(iv) In no event shall any adjustment in the rental for the premises for any change in the CPI result in any decrease in the rental.

(e) <u>Abatement</u>

(i) In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of rental, the rental set forth in paragraph (b) of

this Section or as adjusted in accordance with the provisions of paragraph (c) hereof, as the case may be, shall be abated for the period the abatement is in effect by the same percentage that the area of the part of the premises the use of which is denied to the Lessee is of the total area of the premises.

(ii) For the purposes of abatement, the measurement of floor space in enclosed areas of the premises shall be computed (i) from the inside plaster or other surface of outer walls of the structure of which the premises are a part; (ii) from the outer surface of walls or partitions separating the enclosed areas from public areas; and (iii) from the center of walls or partitions separating the enclosed areas and other areas exclusively occupied. No deduction will be made for columns, partitions, pilasters or projections. Permanent vents, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to the space measured as do outer building walls.

Section 4. Use of Premises

(a) The Lessee, in connection with its business of preparing and distributing publications for and about operations and activities at the Airport and in accordance with all of the terms, provisions and conditions of this Agreement, shall use the premises for general administrative and clerical office space and for no other purpose or activity whatsoever.

(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 publications industry in the United States.

Section 5. Schedule A and Schedule E

The Lessee and the Port Authority hereby agree to all the terms, covenants and conditions set forth in the schedule of further terms, covenants and conditions attached hereto, hereby made a part hereof and marked "Schedule A" and also agree to all the terms, covenants and conditions set forth in the schedule on affirmative action-equal opportunity attached hereto, hereby made a part hereof and marked "Schedule E". All the provisions of Schedule A and Schedule E shall have the same force and effect as if set forth in full herein.

Section 6. Liability Insurance

In addition to the obligations set forth in Schedule A 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 maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance covering bodily injury, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, covering bodily injury, including death, and property damage liability and providing for coverage in not less than the limits set forth below. All 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 shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder and with respect to any claim or action against the Port Authority by the Lessee shall be the same as the protections afforded the Lessee

thereunder with respect to any claim or action against the Lessee by a third person as if the Port Authority were the named insured thereunder, 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 6 of Schedule A of this Agreement.

	Minimum Limits
Commercial General Liability Insurance Combined single limit per occurrence for death, bodily injury and property damage liability:	$2,000,000.00
~~Commercial Automobile Liability Insurance~~ ~~Combined single limit per occurrence for death, bodily injury and property damage liability:~~	~~$2,000,000.00~~

Section 7. Security Amount

The Lessee and the Port Authority hereby agree to all the terms, covenants and conditions set forth in that certain schedule marked "Schedule S", attached hereto and hereby made a part hereof ("Schedule S"). All the terms, covenants and conditions of Schedule S shall have the same force and effect as if set forth in full herein. For the purposes of Schedule S, the "Security Amount" shall be the sum of Two Thousand Dollars and No Cents ($2,000.00). The Lessee represents that is federal employer identification number is (Ex. 2.a.)

Section 8. Additional Right of Termination

(a) The Port Authority and the Lessee shall each have the right to terminate the letting of the premises hereunder at any time, without cause, on thirty (30) days' prior written notice to the other party provided, however, that any notice given by the Lessee pursuant to the provisions of this Section shall not be effective if the Lessee is in default under any term or provision of the Lease, or has been served with a notice of termination by the Port Authority, either on the date of the giving of the Lessee's notice or on the intended effective date thereof. In the event of termination pursuant hereto, this Agreement and the letting hereunder shall have the same effect as if the effective date of termination stated in the notice were the date of expiration of this Agreement. Such termination shall not relieve the Lessee of any liabilities or obligations which shall have accrued on or prior to the effective date of termination or which shall mature on such date.

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EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

SCHEDULE A

FURTHER TERMS, COVENANTS AND CONDITIONS TO JFK MULTI-OCCUPANCY CARGO SERVICE BUILDING AGREEMENT OF LEASE

1. 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 Agreement which as a matter of law are applicable to or which affect the operations of the Lessee at the premises hereunder, and the Lessee shall, in accordance with and subject to the provisions of paragraph 25 hereof, make any and all non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(b) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee hereunder 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 is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(d) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus 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, the Lessee shall comply with all such enactments, ordinances, resolutions and regulations which would be applicable to its operations hereunder if the Port Authority were a private corporation, 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 which are applicable only because of the Port Authority's agreement in the Basic Lease. 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 non-compliance 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.

2. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees and those 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 to the existing Rules and Regulations 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 guests, invitees and business visitors 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 either by delivery of a copy, or by making a copy available at the office of the Secretary of the Port Authority.

3. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations hereunder in an orderly and proper manner, so as not to unreasonably annoy, disturb or be offensive to others on off the Airport. The Lessee shall take all reasonable measures to eliminate vibrations originating on the premises 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.

(b) 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 this 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 this Agreement 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 subparagraph. 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 subparagraph (b) shall continue throughout the term of this Agreement and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term of this Agreement 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 subparagraph (b) is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

(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 the persons using such roadways or other areas. 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.

(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 fire-fighting 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) The Lessee shall conduct all its operations at the premises in a safe and careful manner, following in all respects the best practices of the Lessee's business in the United States in connection therewith.

4. 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 Lessee's internal-combustion engines so long as such engines are maintained and are being operated in a proper manner, shall not be a violation of this subparagraph (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 4 of this Agreement. 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 Rating Organization of New York, 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 paragraph 25 hereof, make any and all non-structural 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 subparagraph 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 4 of the Lease, 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 or permit any one to dispose of any waste material (whether liquid or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the premises or on the Airport 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 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°F. 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 not 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 or item of automotive equipment is equipped with a proper spark-arresting device which has been approved by the Port Authority.

(h) 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 or dispensing of food, beverages, tobacco, tobacco products, or merchandise of any kind whether or not included in the above categories, or of any equipment or devices for the furnishing to the public of service of any kind including therein, without limitation thereto, telephone pay stations.

(i) 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, 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.

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

(k) The Lessee shall not use or permit the use of the premises for the sale of tickets for air transportation of persons either upon its own aircraft or the aircraft of others.

(l) The Lessee shall not fuel or defuel its automotive vehicles or other equipment in the enclosed portion of the premises without the prior approval of the General Manager of the Airport.

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

5. Maintenance, Repair and Property Insurance

(a) The Lessee shall at all times keep 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 parts of the premises which are open to or visible by the general public.

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

(c) Except for damage or destruction occurring under circumstances set forth in subparagraphs (b) and (h) of this paragraph and except for reasonable wear and tear the Port Authority shall, as necessary for the preservation of the building, maintain and make all repairs and replacements to the structural supporting frame and roof of the building, and the exterior of the exterior walls (excluding doors, screens and glass).

(d) With respect to all other parts of the premises, including, without limitation thereto, the building walls, partitions, floors, ceilings, doors, screens, sash, glass of every kind, the electrical, mechanical, plumbing, heating, steam, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, the Lessee shall take good care of the premises so that at the expiration or termination of the term and at all times during this Agreement, the same will be in as good condition as at the commencement thereof, except for reasonable wear and tear which does not adversely affect the efficient or proper utilization thereof. To that end and regardless of the cause of the condition requiring the same, the Lessee shall carry on periodic inspections, perform all necessary preventive maintenance including but not limited to painting, make all necessary repairs and replacements and do all necessary rebuilding with respect to the same, all of which shall be in quality equal to the original in materials and workmanship.

(e) The Lessee shall not use any cleaning materials having a harmful or corrosive effect, on any part of the premises. The Lessee shall promptly wipe up all oil, gasoline, grease, lubricants and other inflammable liquids and substances and all liquids or substances having a corrosive or detrimental effect on the surface of the premises, which may leak or be spilled thereon.

(f) In the event the Lessee fails to commence so to maintain, clean, repair, replace or paint within a period of twenty (20) days after notice from the Port Authority so to do, 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.

(g) The obligation of the Lessee as set forth in subparagraph (b) of this paragraph 5 (in the event that damage or destruction caused by the acts or omissions of the Lessee or by those of its employees, customers, guests or invitees, or of other persons doing business with the Lessee, is covered by any contract of insurance under which the Port Authority is the insured) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that, if this release shall invalidate any such policy of insurance or limit or void the Port Authority's rights thereunder, then this release shall be void and of no effect; and provided further that this release shall be void and of no effect if and to the extent that such damage or destruction is covered under the Port Authority's self-insurance plan as hereinafter provided in subparagraph (k) of this paragraph 5.

(h) (1) In the event that as a result of the sinking or settling of the ground, or as the result of a casualty, the premises are damaged (without fault of the Lessee, its employees, customers, guests, invitees or persons doing business with it) so as to render it untenantable in whole or a substantial part, then

(i) if, in the opinion of the Port Authority, the necessary repairs or rebuilding, can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall be abated as hereinabove provided for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety days; or

(ii) if, in the opinion of the Port Authority, such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the building requires rebuilding, then the Port Authority shall have the following options: (1) to proceed with due diligence to repair or to rebuild as necessary; or (2) by written notice to the Lessee to terminate the letting as to the damaged portion of the premises, allowing an abatement of rental therefor and if such option is exercised by the Port Authority and affects a substantial part of the premises, the Lessee shall have the right within thirty (30) days after receipt of such notice, on fifteen (15) days' written notice to the Port Authority, to terminate this Agreement as to the balance of the premises; or (3) to cancel this Agreement and terminate the letting as to the entire premises, and the rentals payable under this Agreement shall be abated as hereinabove provided either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding, or for the period from the occurrence of the damage to the effective date of termination by the Port Authority for the portion of the premises involved.

(2) "Substantial part" shall mean, for the purpose of this subparagraph (h), at least twenty-five percent (25%) of the total usable enclosed floor space forming a part of the premises.

(i) The Lessee shall be the insurer of the Port Authority against the risk of loss or theft of or damage to any Port Authority fixtures, equipment and personal property

which are a part of or are located in or on the premises and shall promptly replace or repair the same within five (5) days of such loss, theft or damage.

(j) Nothing herein contained shall relieve the Lessee of its obligations under paragraph 25 hereof to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decoration, additions or improvements in the premises.

(k) Subject to the availability of such insurance, the Port Authority shall in the name of the Port Authority, and for its benefit only, throughout the term keep the entire premises insured to the extent of at least eighty percent (80%) of the insurable value thereof, if the same are not protected from the peril of fire by a sprinkler system and at least ninety percent (90%) of the full insurable value thereof if so protected, such insurable value throughout the term to be as determined by the Port Authority at the time or times of insuring) against damage or loss by fire, windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the Standard Form of Fire Insurance Policy of the State of New York and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction. The Port Authority hereby reserves the right, exercisable at any time during the term of this Agreement, to self-insure the premises either in whole or in part under its self-insurance plan against any and all of the risks enumerated in this subparagraph (k), and if and at such time as it shall do so it will give the Lessee at least sixty (60) days' prior written notice to such effect.

(l) The parties hereby stipulate that neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

6. Indemnity and Liability Insurance

(a) 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 and 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 performance or observing any term or provision of this Agreement, or out of the use or occupancy of the premises by the Lessee or by others with its consent or out of any of the acts or omissions of the Lessee, its officers, employees, guests, invitees and business visitors on the premises, or arising out of the acts or omissions of the Lessee, its officers and employees elsewhere at the Airport, including claims and demands of the City of New York from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City.

(b) 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 the same 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 provisions of any statutes respecting suits against the Port Authority.

(c) Without limiting the insurance provisions of this Agreement, in the event the Lessee maintains the liability insurance in limits greater than set forth in this Agreement, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with all terms and provisions hereof.

(d) All insurance coverages and policies required under this Agreement 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 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 and the Lessee shall promptly comply therewith.

(e) As to the insurance required by the provisions of this Agreement a certified copy of the policies or a certificate or certificates, evidencing the existence thereof, or binders, shall be delivered by the Lessee to the Port Authority upon execution of this Agreement and delivery thereof by the Lessee to the Port Authority. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event a binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or 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 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. 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.

7. 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 certified or registered mail. Said designated officer or representative of the Port Authority and the Lessee and their respective

officers shall be as set forth in this Agreement. 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 Lessee designates its representative named on the first page of this Agreement as its representative upon whom notices and requests may be served and its address given on the first page of this Agreement as its office where notices and request may be served. The Port Authority hereby designates its Executive Director, as its representative upon whom notices and requests may be served, and its office at 225 Park Avenue South, New York, New York 10003. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the certified or registered mailing thereof.

8. 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 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.

9. Obstruction Lights

The Lessee shall install, maintain and operate at its own expense such obstruction lights on the outside area of the premises, if any, 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.

10. Additional Rent and Charges

(a) 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 3 of this Agreement.

(b) For all purposes under this paragraph and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of a 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 the same, any time report of any employee of the Port Authority showing hours of labor or work allocated to such work, or any stock requisition of the Port Authority showing the issuance of materials actually used in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

11. 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 sewerage, 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 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 paragraph 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 the premises nor to any property of the Lessee or of any other person located therein 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 "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 of 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.

12. Condemnation

(a) In any action or other proceeding by any governmental agency or agencies for the taking for a public use of any interest in all or part of the premises, or in case of any deed, lease or other conveyance in lieu thereof (all of which are in this paragraph referred to as "taking"), the Lessee shall not be entitled to assert any claim to any compensation, award or part thereof made or to be made therein or therefor or any claim to any consideration or rental or any part thereof paid therefor, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority for any such taking, it being understood and agreed between the parties hereto that the Port Authority shall be entitled to all compensation or awards made or to be made or paid, and all such consideration or rental, free of any claim or right of the Lessee.

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

(c) In the event that the taking covers the entire premises, or in the event that the letting is terminated with respect to the entire premises pursuant to subparagraph (b) of this paragraph, then this Agreement shall, as of the date possession is taken by such agency or agencies from the Port Authority, or as of the effective date of such termination, cease and determine in the same manner and with the same effect as if the said date were the original date of expiration hereof.

(d) In the event that the taking covers a part only of the premises, or in the event that the letting is terminated pursuant to subparagraph (b) of this paragraph with respect to a part only of the premises, then the letting as to such part shall, as of the date possession thereof is taken by such agency or agencies, or as of the effective date of such termination, cease and determine in the same manner and with the same effect as if the term of the letting had on that date expired, and the rentals shall be abated as hereinbefore provided.

(e) 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 letting of the entire premises is not terminated, the settlement or abatement of rentals after the date possession is taken by the body having a superior power of eminent domain shall be in accordance with Section 3 of this Agreement.

(f) As used in this paragraph with reference to the premises the phrase "a material part" shall mean such a part of the premises that the Lessee cannot continue to carry on its normal operations at the Airport without using such part.

13. 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 the prior written consent of the Port Authority.

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

(c) If without prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subparagraphs (a) and (b) of this paragraph 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 subparagraphs (a) and (b) of this paragraph 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.

(d) Any consent granted by the Port Authority to any assignment or subletting or to any sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge any succeeding assignee, successor or transferee of the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority in the event it wishes to sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting hereunder or any part thereof; and such assignee, successor or transferee or other person claiming any right, title or interest in this Agreement shall not sell, convey, transfer, mortgage,

pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without such prior written consent of the Port Authority.

(e) 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 4 of this Agreement. 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 then its own officers, employees, contractors, representatives, guests, visitors and business invitees.

14. 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 of 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 discharged within thirty (30) days after the Lessee has received notice thereof; or

(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, 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 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 five (5) 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 enumerated in subparagraph (a) of this paragraph shall occur prior to the letting, 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 hereunder, 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.

15. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in paragraph 14 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.

16. 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.

17. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminates in accordance with a notice of termination as provided in paragraph 14 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 paragraph 15 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) The amount of the total of all annual rentals less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first 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 said month, and

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

18. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to paragraph 14 hereof, or upon any re-entry, regaining or resumption of possession pursuant to paragraph 15 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 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 paragraph 14, or upon its re-entry, regaining or resumption of possession pursuant to the said paragraph 15, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of 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 hereunder 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.

19. 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.

20. Surrender

(a) 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.

(b) Unless required for the performance by the Lessee of its obligations hereunder, the Lessee shall have the right at any time during the letting to remove from the premises, all its equipment, removable fixtures and other personal property, all property of third persons for which the Lessee is responsible, and on or before the expiration or earlier termination of the letting it shall remove all of the same from the premises, repairing all damage caused by any removal. If the Lessee shall so fail to remove such property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or may retain the same in its own possession and in either event may dispose of the same as waste material or sell the same at public auction, the proceeds of which shall be applied: first to the expenses of removal,

including repair required thereby, and of 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, repair; storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand. Without limiting any other term or provision of this Agreement, the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and contractors from all claims of third persons arising out of the Port Authority's removal and disposition of property pursuant to this paragraph, including claims for conversion, claims for loss of or damage to property, claims for injury to persons (including death), and claims for any other damages, consequential or otherwise.

21. 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 paragraph 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.

22. Removal of Property

All personal property (including trade fixtures) removable without material damage to the premises, which are installed by the Lessee in or on the premises leased to the Lessee pursuant to this Agreement, shall be deemed to be and remain the property of the Lessee. All such property may at the Lessee's option be removed by the Lessee from the premises at any time during the term of this Agreement and shall, unless otherwise agreed in writing by the parties, be removed by the Lessee at or before the expiration or other termination of the term of this Agreement. Any such property remaining on the premises thereafter shall be deemed to be abandoned by the Lessee.

23. 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 herewith. The Lessee shall indemnify and save harmless the Port Authority from and against 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 the negotiation and execution of this Agreement.

24. 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, and 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, light, power, telegraph,

telephone, steam, or transportation services and of the City of New York and State of New York; (iii) permits, licenses, regulations and restrictions, if any, of the United States, the City of New York or State of New York or other governmental authority.

25. Construction by the Lessee

Except as expressly provided herein, the Lessee shall not erect any structures, make any improvements or do any other construction work on the premises or alter, modify, or make additions or improvements or repairs 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.

26. Place of Payments

All payments required of the Lessee by this Agreement shall be made to The Port Authority of New York and New Jersey, P. O. Box 9500-1517, Philadelphia, Pennsylvania 19195-1517, or made via the following wire transfer directions: Name of bank: Commerce Bank, Bank ABA number: 026013673, Account number: (Ex. 1) or to such other officer or address as may be substituted therefor by notice to the Lessee from time to time.

27. 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 of intent of any provision hereof.

(b) The terms, provisions and obligations contained in the Exhibit(s) and Schedule(s) 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.

28. 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.

29. 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 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.

30. Ingress and Egress

(a) The Lessee, its contractors, suppliers of material and furnishers of service, shall have the right of ingress and egress between the premises and a city street or public way outside the Airport by means of existing roadways 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 use of all roadways 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 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 subparagraph (a) above is concurrently made 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 or other area used as such whether within or outside the Airport, provided, that the Port Authority makes available to the Lessee a means of ingress and egress reasonably equivalent to that provided in subparagraph (a).

31. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this 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, creed, color, sex 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 by it, (2) that in the construction of any improvements on, over, or under the premises and furnishing of services thereon by it, no person on the ground of race, creed, color, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject 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, Non-discrimination 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 subparagraph (a) of this paragraph 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 covenant.

(c) The Lessee's non-compliance with the provisions of this paragraph 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 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 the Agreement and the letting hereunder with the same force and effect as a termination under paragraph 14 of this Agreement, or may pursue such other remedies as may be provided by law; and as to any or all 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 and against 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 paragraph and the Lessee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this paragraph 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 subparagraph (b) hereof, or any right to perform any construction on the premises.

32. Affirmative Action

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 shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The 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.

33. Condition of Premises

The Lessee hereby 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. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and determined them to be suitable for the Lessee's operations hereunder and the Lessee hereby agrees to take the premises in the condition they are in as of the commencement of the term of the letting hereunder. 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. It is hereby understood and agreed that whenever reference is made in this Agreement to the condition of the premises as of the commencement of the term hereof, the same shall be deemed to mean the condition of the premises as of the date of this Agreement, and as to the improvements made and the alteration work performed during the term of the Agreement in the condition existing after the completion of the same.

34. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including without limitation any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period hereinbelow 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 (0.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods during each calendar year; 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 (15) (but not less than thirteen (13)) 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 to payment of any late charge or late charges payable under the provisions of this paragraph 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 3 of this Agreement. Nothing in this paragraph 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 termination rights set forth in paragraph 14 of this Agreement, or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this paragraph shall exceed a legal maximum applicable to such late charges then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

35. 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 John F. Kennedy International Airport, consisting of certain premises identified as "JFK International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) "Basic Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the city Register of the city on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

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

(d) The term "premises" as defined in Section 1 of this Agreement shall without limiting the generality of said Section include the land, buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigeration, 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.

(e) The term "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 General Manager by this Agreement; but until further notice from the Port Authority to the Lessee it shall mean the General Manager (or the temporary or acting General Manager) of the Airport for the time being, or his duly designated representative or representatives.

(f) The terms "governmental authority", "governmental board" and "governmental agency" shall mean federal, state, municipal and other governmental authorities, boards and agencies of any state, nation or government, except that it shall not be construed to include The Port Authority of New York and New Jersey, the lessor under this Agreement.

(g) The term "person" shall mean not only a natural person, corporation or other legal entity, but also two or more natural persons, corporations or other legal entities acting jointly as a firm, partnership, unincorporated association, consortium, joint adventurers or otherwise.

36. Effect of the Basic Lease

(a) The Lessee acknowledges that it has received, and is familiar with the contents of, a copy of the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 (the "Basic Lease").

(b) In accordance with the provisions of the Basic Lease, the Port Authority and the Lessee hereby agree as follows:

(i) This Agreement is subject and subordinate to the Basic Lease and to any interest superior to that of the Port Authority;

(ii) The Lessee shall not pay rent or other sums under this Agreement for more than one (1) month in advance (excluding security and other deposits required under this Agreement);

(iii) With respect to this Agreement, the Lessee on the termination of the Basic Lease will, at the option of The City of New York (the "City"), attorn to, or enter into a direct lease on identical terms with, the City;

(iv) The Lessee shall indemnify the City with respect to all matters described in Section 31 of the Basic Lease;

(v) The Lessee shall not use the premises hereunder for any use other than as permitted under the Basic Lease;

(vi) The Lessee shall use, operate and maintain the premises hereunder in a manner consistent with the Port Authority's obligations under Section 28 of the Basic Lease;

(vii) The failure of the Lessee to comply with the forgoing provisions shall be an event of default under this Agreement, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate this Agreement and exercise any other rights that the Port Authority may have as the landlord hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Lessee pursuant to this Agreement.

37. Hazardous Substances

(a) The term "Hazardous Substance" as used in this Lease 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 which have been or in the future shall be declared to be hazardous or toxic, or the removal of which have been or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which have been or in the future shall be restricted, prohibited, regulated or penalized by any 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.

(b) The Lessee shall not dispose of, release or discharge or 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 paragraphs 1 and 3 hereof or any term, provision, covenant or condition hereof, 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 from the Port Authority to the Lessee and subject to the provisions of paragraph 26 hereof, 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 Lease.

38. Services to the Lessee

(a) Except as provided in this paragraph 38 the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Agreement or the use and occupancy of the premises hereunder.

(b) The Port Authority shall sell, furnish and supply to the Lessee in reasonable quantities and to the extent of the capability of existing facilities for use on the premises and the Lessee agrees to take from the Port Authority and pay for electricity of the same voltage, phase and cycle as supplied to the premises by the public utility in the vicinity, through existing wires, conduits and outlets, if any, at the same charge which would be made by such public utility for the same quantity used under the same conditions and in the same service classification but in no event less than an amount that would reimburse the Port Authority for its cost of obtaining and supplying electricity to the Lessee hereunder; charges shall be payable by the Lessee when billed and the quantity of electricity consumed shall be measured by the meter or meters installed for such purposes; provided, however, that if for any reason, any meter or meters fail to record the consumption of electricity, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period either immediately before or after the interruption as elected by the Port Authority. The Port Authority shall not discontinue the supply of electricity except upon fifteen (15) days' notice to the Lessee and unless a supply of electricity of the same voltage, phase and cycle shall be available from another supplier and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such current after the expiration of said fifteen (15) days from any other person, firm or corporation.

(c) The Port Authority shall sell, furnish and supply to the Lessee for use on the premises cold water (of the character furnished by the City of New York) in reasonable quantities through pipes, mains and fittings and the Lessee agrees to take such water from the Port Authority and to pay the Port Authority therefor an amount equal to that which would be charged by the municipality or other supplier of the same (whether or not representing a charge for water or other services measured by water consumption) for the same quantity, used under the same conditions and in the same service classification plus the cost to the Port Authority of supplying such water which shall not be less than ten percent (10%) nor in excess of fifty percent (50%) of the amount charged but in no event less than an amount that would reimburse the Port Authority for its cost of obtaining and supplying cold water to the Lessee hereunder. The charge therefor shall be payable by the Lessee when billed and the quantity of water consumed shall be measured by the meter or meters installed for such purposes; provided, however, that if for any reason, any meter or meters fail to record the consumption of water, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period either immediately before or after the interruption as elected by the Port Authority.

(d) The Lessee shall pay to the Port Authority such of the existing and future charges for sewerage services furnished by the City of New York as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof. In the event that the City of the State of New York is now furnishing services

with or without charge therefor, which are beneficial to the Lessee in its use of the premises, and shall hereafter impose charges or increase existing charges for such services, the Lessee agrees to pay to the Port Authority such of the charges or the increase in charges as may be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof.

(e) In the event the Port Authority shall provide extermination service for the premises, the Lessee agrees to utilize the same and to pay its share of the reasonable cost thereof, upon demand. This paragraph does not impose any obligation .on the Port Authority to furnish such service.

(f) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. The Port Authority shall not be obligated to perform or furnish any service whatsoever in connection with the premises at any time while the Lessee shall be in default hereunder or has breached any of the provisions hereof, after the period, if any, herein granted to cure such default shall have expired.

No failure, delay or interruption in supplying agreed services (whether or not a separate charge is made therefore) shall be or be construed to be an eviction of the Lessee or grounds for any diminution or abatement of rental, or (unless resulting from the negligence or wilful failure of the Port Authority) shall be grounds for any claims by the Lessee for damages, consequential or otherwise.

For the Port Authority

Initialed:

For the Lessee

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 and in Section 31 of Port Authority Agreement No. AYD-688 (herein called the "Lease") with Pan American Training Institute, Inc. (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 Manager of the Office of Business and Job Opportunity 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 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 number 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 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-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 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 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 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 lease 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/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. 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.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

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, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing 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 or 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

Initialled:

For the Lessee

SCHEDULE S

Security Agreement

(a) Upon the execution of the Agreement 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 the letting under this Agreement) a sum equal to the Security Amount as heretofore set forth in this Agreement, either cash or bonds of the United States of America, or of the Port Authority of New York and New Jersey, or of the States of New York or New Jersey, having a market value of the Security 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 and conditions of this Agreements on its part to be fulfilled, kept, performed or observed.

(b) 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 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.

(c) 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 a sum equal to the Security Amount. 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 amount of the Security 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 Security Amount, and such additional deposits shall be subject to all the conditions of this Schedule S.

(d) 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 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 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 accounts.

For the Port Authority

Initialed by:

For the Lessee

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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

On the 9TH day of MAY in the year 2008, 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.

Gail E. Mitchell
(notarial seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6026210
Qualified in Queens County
My Commission Expires June 14, 2011

FOR WILLIAM R. PUCKHABER

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

On the 29 day of FEBRUARY in the year 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared WILLIAM R. PUCKHABER, 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.

(notarial seal and stamp)

HELENE SCHNEIDER
Notary Public, State of New York
No. 30-4820365
Qualified in Nassau County
Commission Expires May 31, 2010

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

John F. Kennedy International Airport
Lease No. AYD-574

JFK MULTI-OCCUPANCY CARGO SERVICE BUILDING AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (the "Agreement"), made as of February 17, 2007, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (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 225 Park Avenue South, New York, New York 10003, and **NORTH AMERICAN AIRLINES, INC.** (the "Lessee"), a corporation organized and existing under the laws of the State of Delaware and having an office and place of business at Building No. 75, John F. Kennedy International Airport, Jamaica, New York 11430, whose representative is the Chief Operating Officer

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 John F. Kennedy International Airport in the Borough of Queens, City and State of New York (the "Airport"), the following premises:

(i) The space on the first floor of Building No. 141 at the Airport as shown in diagonal hatching on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A", which space is hereinafter referred to as "Area A"; and

(ii) The space on the first floor of Building No. 141 at the Airport as shown in diagonal cross-hatching on Exhibit A, which space is hereinafter referred to as "Area B"; and

(iii) The space on the second floor of Building No. 141 at the Airport as shown in diagonal hatching on the sketch attached hereto, hereby made a part hereof and marked Exhibit A-1 which space is hereinafter referred to as "Area C"; and

(iv) The outside area of Building No. 141 as shown in stipple on Exhibit A, which space is hereinafter referred to as "Area D", together with the buildings, structures, improvements and other property of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, all of the foregoing being hereinafter collectively called the "premises".

(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 above the heights of the structures thereon at the commencement of the term of the letting.

(c) The parties acknowledge that the premises constitute non-residential real property.

Section 2. Term

(a) The term of the letting, as to Areas A, C and D shall commence on March 1, 2007 (which date is sometimes hereinafter referred to as the "Commencement Date") and, as to Area B, shall commence on the second anniversary of the Commencement Date and, as to the entire premises under the Lease, shall, unless sooner terminated or unless extended, expire at 11:59 o'clock p.m. on the day preceding the tenth (10th) anniversary of the Commencement Date.

Section 3. Rental

(a) Definitions: (i) "Rental Payment Start Date" shall mean the one hundred eightieth (180th) day following the Commencement Date established pursuant to the provisions of Section 2 of this Agreement, as such date may be postponed pursuant to the provisions of paragraph (b) of such Section. The Lessee recognizes and understands that the occurrence of the Commencement Date shall not be deemed to authorize the Lessee to commence any work in the premises unless the Lessee has obtained the Port Authority's final approval of the Alteration Application and plans and specifications. The Lessee further recognizes that its obligations to pay basic rental shall commence on the Rental Payment Start Date established pursuant to this subparagraph whether or not the Lessee is conducting public operations in the premises on such date.

(ii) "Annual Period" shall mean, as the context requires, the twelve- (12-) month period commencing with the Commencement Date established pursuant to the provisions of this Agreement and each of the twelve- (12-) month periods thereafter occurring during the initial term of the letting under this Agreement commencing on the first anniversary of the Commencement Date and on each anniversary of that date thereafter occurring during the initial term of the letting under this Agreement provided, however, that if the Commencement Date shall occur on a day other than the first day of a calendar month, the first Annual Period shall include the portion of the month in which the Commencement Date shall occur following such date plus the succeeding twelve (12) calendar

months and each subsequent Annual Period shall commence on the anniversary of the first day of the first full calendar month following the calendar month in which the Commencement Date shall occur provided further, however, that the last Annual Period shall expire in any event on the expiration date of the initial term of the letting under this Agreement.

(I) Basic Rental

The Lessee shall pay to the Port Authority a basic rental ("Basic Rental") for the Premises as follows:

A. Area A

(i) For the period from the Rental Payment Start Date and continuing through the day preceding the first anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a basic rental for Area A at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the Rental Payment Start Date and on the first day of each and every month occurring in such period; and

(ii) For the period commencing on the first anniversary of the Commencement Date and continuing through the day preceding the second anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental for Area A at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the first anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

B. Area A and Area B

(i) For the period commencing on the second anniversary of the Commencement Date and continuing through the day preceding the third anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the second anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(ii) For the period commencing on the third anniversary of the Commencement Date and continuing through the day preceding the fourth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

(Ex. 2.a.)
per annum, payable in equal monthly installments of payable on the third

anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(iii) For the period commencing on the fourth anniversary of the Commencement Date and continuing through the day preceding the fifth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the fourth anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(iv) For the period commencing on the fifth anniversary of the Commencement Date and continuing through the day preceding the sixth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of (Ex. 2.a.) er annum, payable in equal monthly installments of payable on the fifth anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(v) For the period commencing on the sixth anniversary of the Commencement Date and continuing through the day preceding the seventh anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of payable on the sixth anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(vi) For the period commencing on the seventh anniversary of the Commencement Date and continuing through the day preceding the eight anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the seventh anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(vii) For the period commencing on the eighth anniversary of the Commencement Date and continuing through the day preceding the ninth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the first day of the eighth anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(viii) For the period commencing on the ninth anniversary of the Commencement Date and continuing through the day preceding the tenth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

) per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the ninth anniversary of the Commencement Date and on the first day of each and every month occurring in such period.

C. Area C

(i) For the period from the Rental Payment Start Date and continuing through the day preceding the first anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a basic rental at the rate of

(Ex. 2.a.)

per annum, payable in equal monthly installments of

payable on the Rental Payment Start Date and on the first day of each and every month occurring in such period; and

(ii) For the period commencing on the first anniversary of the Commencement Date and continuing through the day preceding the second anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

(Ex. 2.a.)

per annum, payable in equal monthly installments of

payable on the first anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(iii) For the period commencing on the second anniversary of the Commencement Date and continuing through the day preceding the third anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

(Ex. 2.a.)

per annum, payable in equal monthly installments of

payable on the second anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(iv) For the period commencing on the third anniversary of the Commencement Date and continuing through the day preceding the fourth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the third anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(v) For the period commencing on the fourth anniversary of the Commencement Date and continuing through the day preceding the fifth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the fourth anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(vi) For the period commencing on the fifth anniversary of the Commencement Date and continuing through the day preceding the sixth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of (Ex. 2.a.)

per annum, payable in equal monthly installments of payable on the fifth anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(vii) For the period commencing on the sixth anniversary of the Commencement Date and continuing through the day preceding the seventh anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of (Ex. 2.a.)

per annum, payable in equal monthly installments of payable on the sixth anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(viii) For the period commencing on the seventh anniversary of the Commencement Date and continuing through the day preceding the eighth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

per annum, payable in equal monthly installments of (Ex. 2.a.) payable on the seventh anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(ix) For the period commencing on the eighth anniversary of the Commencement Date and continuing through the day preceding the ninth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of (Ex. 2.a.)

per annum, payable in equal monthly installments of payable on the eighth anniversary of the Commencement Date and on the first day of each and every month occurring in such period; and

(x) For the period commencing on the ninth anniversary of the Commencement Date and continuing through the day preceding the tenth anniversary of the Commencement Date, the Lessee shall pay to the Port Authority a basic rental at the rate of

(Ex. 2.a.)

:r annum, payable in equal monthly installments of

payable on the ninth anniversary of the Commencement Date and on the first day of each and every month occurring in such period.

(II) Ground Rental

(i) The Lessee shall pay to the Port Authority from the Rental Payment Start Date through the day preceding the first anniversary of the Commencement Date, both dates inclusive, a rental (hereinafter the "Ground Rental") for Area D in the amount of

per annum, payable in advance in equal monthly installments of (Ex. 2.a.)

which Ground Rental thereafter shall be increased on an annual basis as hereinafter set forth during the term of the letting under the Lease.

(ii) For the portion of the term from the first anniversary from the Commencement Date and continuing through the balance of the term of the letting hereunder, both dates inclusive, in lieu of the Ground Rental set forth in subparagraph (i) of this subparagraph II, the Ground Rental for Area D shall be adjusted to an amount equal to the greater of the sum obtained by adding to the Ground Rental in effect immediately prior to such first anniversary of the Commencement Date (hereinafter "the Adjustment Date"), the product obtained by multiplying such Ground Rental (a) by fifty percent (50%) of the CPI Percentage Increase for such adjustment date, or (b) by four percent (4%). Accordingly, effective on the Adjustment Date and on the first day of each Adjustment Period, as hereinafter defined, occurring during the remainder of the letting under the Lease, the Ground Rental shall be increased for each Adjustment Period so as to equal the greater of the sum obtained by adding to the Ground Rental in effect as of the day immediately preceding the first day of the Adjustment Period for which the adjustment is being determined, the product obtained by multiplying such Ground Rental (a) by fifty percent (50%) of the CPI Percentage Increase for such Adjustment Date (using the two Reference Months immediately preceding the first day of the subject Adjustment Period), or (b) by four percent (4%); and the sum so obtained from the foregoing calculation shall be and become the Ground Rental in effect for the Adjustment Period.

(iii) Pursuant to Section 3(d) below, the Port Authority shall ascertain the CPI for the first Reference Month and for each succeeding Reference Month after the same has been published, and the Port Authority shall also determine the CPI increase.

(iv) For the purposes of this subparagraph II of Section 3, the following terms shall have the respective meanings given below:

(aa) "Adjustment Period" shall mean as the context requires the twelvemonth period commencing on the first anniversary of the Commencement Date and expiring on the day preceding the second anniversary of the Commencement Date, and each of the succeeding twelve-month periods thereafter occurring during the letting under the Lease, commencing on each anniversary of the Commencement Date, and in the event the term expires or is terminated on other than the last day of an Adjustment Period, then in such event "Adjustment Period" shall mean the actual number of days during such Adjustment Period that the lease was in effect.

(bb) "Ground Rental" shall mean the amount payable by the Lessee to the Port Authority pursuant to and calculated in accordance with the terms of sub-subparagraph (ii) of subparagraph II of Section 3.

(cc) "CPI" or "Consumer Price Index" shall mean the Consumer Price Index for all urban consumers, New York, Northern New Jersey, Long Island, NY-NJ-CT (All Items, unadjusted 1982-84=100) published by the United States Department of Labor, Bureau of Statistics.

(dd) "CPI Percentage Increase" shall mean the annual percentage increase, if any, in the CPI yielded by dividing the amount of the increase, if any, in the CPI for one Reference Month as compared to the CPI for the immediately preceding Reference Month, by the CPI for the earlier of the two immediately preceding Reference Months, as determined by the Port Authority.

(ee) "Reference Month" shall mean the calendar month preceding the month in which the Commencement Date occurred (the first Reference Month) and each such succeeding calendar month occurring during the term of the letting under the Lease.

(v) In the event the CPI is not available for any Reference Month, the Lessee shall continue to pay Ground Rental at the annual rate then in effect subject to retroactive adjustment based upon the adjustment to the Ground Rental for such Adjustment Period when the CPI for such Reference Month becomes available. The Lessee herby agrees to pay to the Port Authority all such Ground Rental due and owing to the Port Authority on the basis of such retroactive adjustments on demand.

(vi) In the event of the change of basis or the discontinuance of the publication by the United States Department of Labor of the CPI, such other appropriate index or indexes shall be substituted as may be agreed by the parties hereto as properly reflecting changes in the value of the current United States money in a manner similar to that established in the said indexes used in the latest adjustment. In the event of the failure of the parties to so agree, the Port Authority may select and use such index or indexes as it deems appropriate, provided, however, that the foregoing shall not preclude the Lessee from contesting the Port Authority's selection.

(vii) In no event shall any adjustment in the Ground Rental for any change in the CPI result in a decrease in Ground Rental. Such Ground Rental shall be payable by the Lessee in advance in equal monthly installments commencing on the first anniversary of the Commencement Date and on the first day of each and every calendar month thereafter until the expiration of the term of the letting. If any installment of Ground Rental payable hereunder shall be for less than a full calendar month then the 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 the said month.

(viii) 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 Ground Rental computed as follows: if the letting hereunder is terminated effective on a date other than the last day of a month the Ground Rental for the portion of that month in which the letting remains effective shall be the amount of the monthly installment of Ground Rental prorated on a daily basis, and if the monthly installment due on the first day of that month has not been paid the Lessee shall pay the prorated part of the amount of that installment; if the monthly installment has been paid, then the excess thereof shall be credited to the Lessee's obligations. If there are no obligations, the excess shall be refunded promptly to the Lessee.

(ix) Nothing contained in the foregoing shall affect the survival obligations of the Lessee as set forth in Section 17 of Schedule A, attached hereto and hereby made a part hereof.

(III) Fixed Operating Rental

(i) For the period from the Rental Payment Start Date and continuing through the day preceding the first anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of and

(ii) For the period from the first anniversary of the Commencement Date and continuing through the day preceding the second anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of and

(iii) For the period from the second anniversary of the Commencement Date and continuing through the day preceding the third anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly

installments of
and

(iv) For the period from the third anniversary of the Commencement Date and continuing through the day preceding the fourth anniversary of the Date Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of
); and

(v) For the period from the fourth anniversary of the Commencement Date and continuing through the day preceding the fifth anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of and

(vi) For the period from the fifth anniversary of the Commencement Date and continuing through the day preceding the sixth anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of ; and

(vii) For the period from the sixth anniversary of the Commencement Date and continuing through the day preceding the seventh anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of and

(viii) For the period from the seventh anniversary of the Commencement Date and continuing through the day preceding the eighth anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) annum, payable in equal monthly installments of
and

(ix) For the period from the eighth anniversary of the Commencement Date and continuing through the day preceding the ninth anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of and

(x) For the period from the ninth anniversary of the Commencement Date and continuing through the day preceding the tenth anniversary of the Commencement Date, both dates inclusive, the Lessee shall pay to the Port Authority a supplemental rental at the rate of (Ex. 2.a.) per annum, payable in equal monthly installments of

(IV) Abatement

In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of rental, then said abatement shall be computed at the following daily rates for each square foot of premises the use of which is denied to the Lessee:

(i) During the period commencing on the Rental Payment Start Date and continuing through the day preceding the second Annual Period:
for each square foot of Area A at the daily rate of (Ex. 2.a.); and
for each square foot of Area C at the daily rate of ; and
for each square foot of Area D at the daily rate of as the same shall be increased in accordance with the provisions of subdivisions (ii) through (x) appearing in subparagraph II of this Section 3.

(ii) During the second Annual Period:
for each square foot of Area A at the daily rate of (Ex. 2.a.) and
for each square foot of Area C at the daily rate of

(iii) During the third Annual Period:
for each square foot of Areas A and B at the daily rate of (Ex. 2.a.); and
for each square foot of Area C at the daily rate of

(iv) During the fourth Annual Period:
for each square foot of Areas A and B at the daily rate of (Ex. 2.a.) ; and
for each square foot of Area C at the daily rate of

(v) During the fifth Annual Period:
for each square foot of Areas A and B at the daily rate of (Ex. 2.a.) ; and
for each square foot of Area C at the daily rate of

(vi) During the sixth Annual Period:
for each square foot of Areas A and B at the daily rate of (Ex. 2.a.) and
for each square foot of Area C at the daily rate of

(vii) During the seventh Annual Period:
for each square foot of Areas A and B at the daily rate of (Ex. 2.a.) and
for each square foot of Area C at the daily rate of

(viii) During the eighth Annual Period:
for each square foot of Areas A and B at the daily rate of (Ex. 2..) ; and
for each square foot of Area C at the daily rate of

(ix) During the ninth Annual Period:
for each square foot of Areas A and B at the daily rate of (Ex. 2.a.); and
for each square foot of Area C at the daily rate of

(x) During the tenth Annual Period:
for each square foot of Areas A and B at the daily rate of(Ex. 2.a.) ; and
for each square foot of Area C at the daily rate of

For the purposes of abatement, the measurement of floor space in the enclosed areas of the premises shall be computed (i) from the inside plaster or other surface of outer walls of the structure of which the premises are a part; (ii) from the outer surface of walls or partitions separating the enclosed areas from public areas; and (iii) from the center of walls or partitions separating the enclosed areas and other areas exclusively occupied. No deduction will be made for columns, partitions, pilasters or projections. Permanent vents, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to the space measured, as do outer building walls. During the period from the Commencement Date and continuing through the day preceding the Rental Payment Start Date, the Lessee shall not be entitled to abatement of rental.

(V) Time of Payments

The Lessee shall pay the Basic Rental in advance in equal monthly installments commencing on the Rental Payment Start Date and on the first day of each and every calendar month thereafter until the expiration of the term of the letting hereunder. If any installment of Basic Rental payable hereunder shall be for less than a full calendar month, then the Basic 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 the said month.

Section 4. Use of Premises

(a) The Lessee, in connection with the Lessee's airline business at the Airport, shall use the premises for the following purposes only and for no other purpose or activity whatsoever:

(i) As to Areas A, B and C, for the operational, administrative and office functions in connection with the Lessee's airline business elsewhere at the Airport;

(ii) As to Area D, for the loading and unloading of goods on and from automobiles and trucks and for the parking of vehicles owned or operated by the Lessee or its employees and customers.

(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 airline industry in the United States.

Section 5. Contract of Guaranty

The Lessee shall provide and maintain in full force and effect throughout the term of the letting under this Agreement a contract of absolute and unconditional guaranty of the due and punctual payment of the Additional Rental obligation of the Lessee and of the full, faithful and prompt performance, observance and fulfillment on the part of the Lessee of all of the other terms, covenants and conditions of this Agreement to be kept, performed, observed and fulfilled and such Contract of Guaranty shall be in the form annexed hereto and shall be executed by World Air Holdings, Inc., a corporation organized and existing under and by the virtue of the laws of the State of Delaware having an office and place of business at 101 World Drive, Peachtree City, Georgia 30269, simultaneously with the execution of this Agreement.

Section 6. Liability Insurance

The Lessee, during the term of this Agreement, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance covering bodily injury, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in not less than the limit set forth below, and in lieu of the foregoing requirements pertaining to care, custody or control exclusions, Warehousemen's Legal Liability Insurance providing for coverage in not less than the limit set forth below and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, covering bodily injury, including death, and property damage liability, and providing for coverage in the limit set forth below. All 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 shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder and with respect to any claim or action against the Port Authority by the Lessee shall be the same as the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person as if the Port Authority were the named insured thereunder, 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 6 of Schedule A of this Agreement.

	Minimum Limits
Commercial General Liability Insurance	
Combined single limit per occurrence for death, bodily injury and property damage liability:	$2,000,000.00

Commercial Automobile Liability Insurance
Combined single limit per occurrence for death, bodily injury and property damage liability: $2,000,000.00

Section 7. Finishes and Decorating by the Lessee

(a) The Port Authority shall deliver the premises 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 the premises and has found the premises in good order and repair, and has determined the premises to be suitable for the Lessee's operations hereunder. The Lessee agrees to and shall take the premises in its presently existing "as is" condition and the Port Authority shall have no obligation for finishing work or for the preparation of any portion of the premises for the Lessee's use. Prior to the one hundred eightieth (180) day following the Commencement Date, the Lessee agrees to and shall perform at its sole cost and expense, all work required to prepare the premises for its occupancy thereof, and its operations therein including without limitation the (i) demolition of interior walls to reconfigure existing layouts (ii) if so required by the Port Authority, the relocation of existing fire control station on the first floor; (iii) modification of doors, including the repair, replacement, addition or removal; (iv) build out offices, open work stations, conference rooms, pantries, break rooms, coat closets and storage rooms (v) interior fencing work to demise storage areas and racking (vi) modify and supplement existing acoustic ceiling, light fixtures, mechanical distribution ductwork, sprinkler and electrical distribution cabling conduit as needed due to modified new layouts (vii) modify and upgrade fire alarm (collectively "the Lessee's Finishing Work"). Prior to the commencement of any work, the Lessee shall submit to the Port Authority for its approval a Tenant Alteration Application, in the form supplied by the Port Authority, and containing such terms and conditions as the Port Authority may include, setting forth in detail by appropriate plans and specifications the construction and installation work the Lessee proposes to perform to finish off and decorate the premises and the manner of and time periods for performing such work. 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. The data to be supplied by the Lessee shall identify and shall describe in detail the improvements, fixtures, equipment and systems, if any, to be installed by the Lessee, including electrical and other systems, and shall show the proposed method of tying in such systems to the utility lines or connections provided by the Port Authority. The Lessee shall be responsible at its sole expense for retaining all architectural, engineering and other technical consultants and services as may be directed by the Port Authority and for developing, completing and submitting detailed plans and specifications for the work. The plans and specifications to be submitted by the Lessee to the Port Authority shall bear the seal of a qualified architect or professional engineer who shall be responsible for the administration of the work, and shall be in sufficient detail for a contractor to perform the work. In connection with review by the Port Authority of the Lessee's submissions under this paragraph, the Lessee shall submit to the Port Authority, at the Port Authority's written request, such additional data, detail or information as the Port Authority, may require for such review. The Lessee shall not engage any contractor or permit the use of any subcontractor unless and until each such contractor or subcontractor, and the contract such contractor or subcontractor is

operating under, have been approved by the Port Authority. The Lessee shall include in any such contract or subcontract such provisions as the Port Authority may require, including, without limitation thereto, provisions regarding labor harmony. The Lessee shall cause each such contractor and subcontractor to obtain and maintain in force such insurance coverage as the Port Authority may specify. All work to be performed by the Lessee hereunder shall be performed in accordance with the Tenant Alteration Application and final plans and specifications approved by the Port Authority, shall be subject to inspection by the Port Authority during the progress of the work and after the completion thereof, and the Lessee shall redo or replace at its own expense any work not done in accordance therewith. Upon completion of the Lessee's construction work, the Lessee shall supply the Port Authority with a certificate signed by a responsible officer of the Lessee and by the architect or engineer who sealed the Lessee's plans pursuant to the provisions of this paragraph, certifying that all of the Lessee's construction work has been performed in accordance with the approved plans and specifications covering such work and in accordance with the provisions of this Agreement. The Lessee shall also supply the Port Authority with as-built drawings in such form and number as are requested by the Port Authority and the Lessee shall keep said drawings current during the term of the letting under this Agreement. No changes or modifications to such work shall be made without the prior consent of the Port Authority. Upon receipt of the final certificates from the Lessee and its architect or engineer, the Port Authority shall deliver to the Lessee a "Permit to Use and Occupy the Premises", unless upon inspection of the premises the Port Authority determines that the certification of the Lessee and its architect or engineer are not correct.

(b) No improvement, finishing, or installation work shall be commenced by the Lessee prior to the Commencement Date, and until the Tenant Alteration Application and plans and specifications covering such work, referred to in paragraph (a) of this Section, have been finally approved by the Port Authority in accordance with the provisions of paragraph (a) of this Section. In the event of any inconsistency between the provisions of this Agreement and those of the Tenant Alteration Application referred to in paragraph (a) of this Section, the provisions of this Agreement shall control. The Lessee recognizes that its obligation to pay the basic rental set forth in Section 3 of this Agreement shall commence on the Rental Payment Start Date established pursuant to the provisions of paragraph (a) of Section 3 of this Agreement whether or not the construction and installation work the Lessee proposes to perform in the premises is then completed, and whether or not the Lessee is then conducting any operations in the premises. The Lessee shall conduct no public operations in the premises until the Port Authority has determined that the construction and installation work performed by the Lessee in the premises has been completed to its satisfaction, and has delivered to the Lessee the Permit to Use and Occupy the Premises described in paragraph (a) of this Section.

(c) The Lessee shall be solely responsible for the plans and specifications used by it and for the adequacy or sufficiency of such plans and specifications, and all the improvements, fixtures, and equipment depicted thereon or covered thereby, regardless of the consent thereto or approval thereof by the Port Authority or the incorporation therein of any Port Authority requirements or recommendations. The Port Authority shall have no obligation or liability in connection with the performance of any of the Lessee's construction work or for the contracts for the performance thereof entered into by the Lessee. Any warranties extended

or available to the Lessee in connection with the aforesaid work shall be for the benefit of the Port Authority as well as the Lessee.

(d) Without limiting or affecting any other term or provision of this Agreement, the Lessee shall be solely responsible for the design, adequacy and operation of all utility, mechanical, electrical, communications and other systems installed in the premises by the Lessee and shall do all preventive maintenance and make all repairs, replacements, rebuilding (ordinary or extraordinary, structural or non-structural) and painting necessary to keep such systems and all other improvements, additions, fixtures, finishes, decorations and equipment made or installed by the Lessee (whether the same involves structural or non-structural work) in the condition they were in when made or installed except for reasonable wear which does not adversely affect the watertight condition or structural integrity of the building, or adversely affect the efficient or proper utilization or appearance of any part of the premises.

Section 8. Lessee's Finishing Allowance

(a) The Port Authority will pay to the Lessee an amount (which amount is hereinafter called the "Lessee's Finishing Allowance") equal to the lesser of: (1) the cost, as hereinafter defined, of the Lessee's Finishing Work less the amount of (Ex. 2.a.)
; or (2) the sum of

The Lessee's Finishing Allowance will be paid to the Lessee as follows: Upon final completion of all of the Lessee's Finishing Work to be performed by the Lessee as set forth in the Construction Application and the final plans and specifications forming a part thereof finally approved by the Port Authority and the delivery to the Lessee by the Port Authority of the permanent Permit to Use and Occupy described in paragraph (b) of this Section with respect to all of the Lessee's Finishing Work, the Lessee shall submit to the Port Authority a certification signed by a responsible officer of the Lessee setting forth all of the Finishing Work performed by the Lessee, showing separately the final cost of each item of the Finishing Work and the cumulative payments made by the Lessee on account of such costs and certifying (i) that there is no outstanding indebtedness known to the person signing such certificate, after due inquiry, then due on account of the purchase of any equipment or fixtures described in the certificate or for labor, wages, materials, supplies or services in connection with any work described therein which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen, statutory or similar lien or alleged lien upon said work or upon the premises or any part thereof or upon the Lessee's leasehold interest therein, nor are any of the equipment or fixtures described in such certificate secured by any liens, mortgages, security interests or other encumbrances; (ii) that all of the Lessee's Finishing Work has been performed in accordance with the Lessee's approved plans and specifications and the provisions of this Agreement and in compliance with all governmental laws, ordinances, enactments, resolutions, rules, regulations and orders that would be applicable if the Port Authority were a private corporation, and (iii) the Lessee shall submit the aforesaid certification to the Port Authority by November 31, 2007. In the event the certification has not been submitted to the Port Authority by the Lessee by said date, the Port Authority shall not be obligated to make any payments to the Lessee under this Section and the provisions of this Section 8 and Sections 5 and 9 shall be deemed void and of no further force and effect.

Nothing contained herein shall be deemed or construed as a submission by the Port Authority to the application to itself of any such lien as described in subdivision (i) above. After receipt of the final certificate from the Lessee and its architect or engineer and the final certification of cost, the Port Authority shall examine such certificate and statement and such supporting documents and records as the Port Authority shall deem necessary to substantiate the certificate and the statement. After such examination and upon approval thereof, the Port Authority shall finally inspect the premises and the Lessee's Finishing Work. After such inspection, the Port Authority shall notify the Lessee if all of the work has been performed in compliance with the provisions of this Agreement and in compliance with all governmental laws, ordinances, enactments, resolutions, rules, regulations and orders that would be applicable if the Port Authority were a private corporation. If all of the work has been completed in accordance with the provisions of this Agreement and in compliance with all governmental laws, ordinances, enactments, resolutions, rules, regulations and orders that would be applicable if the Port Authority were a private corporation, the Port Authority will pay the Lessee's Finishing Allowance to the Lessee on account of the cost of the Lessee's Finishing Work no later than thirty (30) days' after the Port Authority's determination that all of the work has been completed in accordance with the provisions of this Agreement.

(b) To the extent permitted by sound accounting practice, the sum of the following items of cost incurred by the Lessee in performing the Lessee's Finishing Work shall constitute the cost thereof for the purposes of this Agreement:

(1) The Lessee's payments to contractors;

(2) The Lessee's payments for supplies and materials;

(3) The Lessee's payments to persons, firms or corporations other than construction contractors or suppliers of materials for services rendered or rights granted in connection with construction, not including services of the types mentioned in items (4), (5) and (6) of this paragraph;

(4) The Lessee's payments of premiums for performance bonds and for liability insurance in effect during the period of construction only;

(5) The Lessee's payments for engineering services for the period of the construction only; and

(6) The Lessee's payments for architectural, planning and design services in connection with the Lessee's construction work.

The sum of the costs approved under items (4), (5) and (6) of this paragraph shall not exceed twenty percent (20%) of the costs approved under items (1), (2) and (3) of this paragraph; if in fact there is any such excess, such excess shall not be a part of the cost incurred by the Lessee in the performance of the Lessee's Finishing Work for the purposes of this Section. No payment or payments on account of administrative or other overhead costs and no payment to employees of the Lessee shall be included in the cost of the Lessee's Finishing Work whether

or not allocated to the cost of the Lessee's Finishing Work by the Lessee's own accounting practices. No payment to an associated entity, as hereinafter defined, shall be included in the cost of the Lessee's Finishing Work. "Associated entity", as used herein, shall mean a person, corporation, partnership, limited liability company or other business entity which is and continues to be wholly or partially owned by the Lessee or which owns the Lessee or which is under common ownership with the Lessee or which is wholly or partially owned by a corporation which controls the Lessee. With respect to a corporation, "ownership", as used herein, shall mean legal or beneficial ownership by one person, firm or corporation, or a group acting in concert, of any of the capital stock and voting rights (with power to exercise such voting rights) or another corporation. With respect to a person or firm other than a corporation, "ownership", as used herein, shall mean the power to direct the management and policies of such person or firm whether by legal or beneficial ownership or otherwise.

(c) The Port Authority's entire obligation under this Agreement to make payments to the Lessee on account of the cost of the Lessee's Finishing Work shall be limited in amount to the Lessee's Finishing Allowance. No contractor or third party shall or shall be deemed to have acquired any rights against the Port Authority by virtue of the execution of this Agreement and nothing herein contained shall operate or give to any such contractor or third party any claim or right of action against the Port Authority and its Commissioners, officers, agents and employees.

Section 9. Payment of Additional Rental

(a) In consideration of the payment of the Finishing Allowance by the Port Authority to the Lessee, the Lessee hereby agrees to pay to the Port Authority an Additional Rental in an amount equivalent to the amount of the Finishing Allowance paid by the Port Authority pursuant to Section 9 hereof, with an additional amount thereon at the rate equivalent to the Revenue Bond Index, plus 300 basis points, per annum, compounded monthly. The Revenue Bond Index shall be determined as of the last business day of the week prior to the week in which the Port Authority payment of the Lessee's Finishing Allowance was made to the Lessee. For purposes of example and illustration only, The Bond Buyer Revenue Bond Index for the week ending January 20, 2005 was 4.89% as set forth under the column "25-Bond Revenue" in the table entitled "Bond Buy Indexes" on page 37 of the Bond Buyer, Vol. 351 No. 32,054, New York, N.Y., dated January 21, 2005.

(b) The first additional rental payment shall be due and payable on the first day of the month following the month in which the payment of the Finishing Allowance was made to the Lessee by the Port Authority, and the balance of the additional rental payments shall be payable on the first day of each and every month thereafter until all of the additional rental is paid.

(c) In connection herewith, upon a final determination of the amount of the Finishing Allowance and the interest rate applicable thereto, the Lessee shall execute a supplemental agreement to this Lease agreement specifying the full amount of the Additional Rental payable by the Lessee as well as set forth the schedule and amounts of each monthly payment in a Schedule A attached thereto. Payments of Additional Rental shall not be subject

to abatement or suspension for any reason whatsoever and the Lessee's obligation to make the payments described in this Section shall be unaffected by any expiration or termination of this Lease agreement or upon the parties failure to extend the term of the letting hereunder.

(d) It is hereby understood and agreed that the failure of the Lessee to make any payment hereunder to the Port Authority on a due date shall be and be deemed to be a failure of the Lessee to have made a payment of monies owed to the Port Authority by the Lessee under the Lease giving rise to a right to the Port Authority to terminate the Lease for cause.

Section 10. Business Development and Records

1. The Port Authority hereby reserves the right to require the payment of a percentage rental on the gross receipts of the Lessee arising out of its operations at the premises, if any, other than for the purposes set forth in Section 4 hereof by the Lessee, its Holding Company, and any of the Holding Company's Subsidiaries. In connection with the exercise of such privilege, if consented to in advance by the Port Authority, 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 effective term of the letting under this Agreement and for one (1) year after the expiration or earlier termination thereof, and for a further period extending the term of the letting 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 anyway connected with the Airport (which records and books of account are hereinafter be called the "Lessee's Records"). The Lessee's Records shall be kept at all times within the Port of New York District.

(d) Permit in ordinary business hours during the effective term of the letting under this Agreement, and for one year thereafter, and during such further period as is mentioned in the preceding subdivision (c), the examination and audit by the officers, employees and representatives of the Port Authority of (i) the records and books of account of the Lessee and (ii) 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. The Lessee shall make available to the Port Authority within the Port of New York District for examination and audit by the Port Authority pursuant to this paragraph (d) those records and books of account described in (i) which are not required by paragraph (c) above to be kept at all times in the Port of New York District and those records and books of account described in (ii) above (all of the foregoing being hereinafter called the "Other Relevant Records" and the

Lessee's Records and the Other Relevant Records being hereinafter collectively referred to as the "Records").

(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 effective date of this Agreement a sworn statement of gross receipts arising out of operations of the Lessee hereunder for the preceding month;

(g) Furnish on or before the twentieth day of April of each calendar year following the effective date of this Agreement a statement of all gross receipts arising out of operations of the Lessee hereunder for the preceding calendar year certified, at the Lessee's expense, by a certified public accountant;

(h) 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.

2. Without implying any limitation on the right of the Port Authority to terminate the Agreement for cause for the breach of any term or condition thereof, including but not limited to paragraph 1 above, the Lessee understands that compliance by the Lessee with the provisions of paragraphs (c) and (d) above are of the utmost importance to the Port Authority in having entered into the percentage rental arrangement under the Lease and in the event of the failure of the Lessee to maintain, keep within the Port District or make available for examination and audit the Lessee's Records in the manner and at the times or location as provided in this Section then, in addition to all and without limiting any other rights and remedies of the Port Authority, the Port Authority may:

(a) Estimate the gross receipts of the Lessee on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Lessee and the Lessee's fees based thereon to be payable to the Port Authority when billed; or

(b) If any such Records have been maintained outside of the Port District, but within the Continental United States then the Port Authority in its sole discretion may (i) require such Records to be produced within the Port District or (ii) examine such Records at the location at which they have been maintained and in such event the Lessee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit, or

(c) If any such Records have been maintained outside the continental United States then, in addition to the costs specified in paragraph (2)(ii) above, the Lessee shall pay to the Port Authority when billed all other costs of the examination and audit of such Records including without limitation salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

3. The foregoing auditing costs, expenses and amounts set forth in subparagraphs (b) and (c) of paragraph 2 above shall be deemed rentals and charges under this Agreement payable to the Port Authority with the same force and effect as all other rentals, fees and charges thereunder.

4. 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 therefore 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 Agreement 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 of 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 rental, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rentals to be paid. 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 to terminate this Agreement or (ii) any obligations of the Lessee under this Agreement.

Section 11. Other Agreements

(a) Except as specifically provided herein to the contrary, the Lessee shall not, by virtue of the issue and acceptance of this Agreement, be released or discharged from any liabilities or obligations whatsoever under any other Port Authority agreements, including but not limited to, any permits to make alterations.

(b) In the event that any, space or location covered by this Agreement is the same as is or has been covered by another Port Authority agreement with the Lessee, then any liabilities or obligations which by the terms of such agreement, or permits thereunder to make alterations, mature at the expiration or revocation or termination of said permit or agreement, shall be deemed to survive and to mature at the expiration or sooner termination or revocation of this Agreement, insofar as such liabilities or obligations require the removal of property from or the restoration of the premises.

Section 12. Entire Agreement

This Agreement consists of the following: Sections 1 through 12, inclusive, Exhibit A, Exhibit A-1, Exhibit X, Schedule A, Schedule S and Contract of Guaranty.

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:

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Secretary

By _____

(Title) Assistant Director

(Seal)

ATTEST:

NORTH AMERICAN AIRLINES, INC.

Secretary

By _____

(Title) ~~President~~ COO

(Corporate Seal)

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

SCHEDULE A

FURTHER TERMS, COVENANTS AND CONDITIONS TO JFK MULTI-OCCUPANCY CARGO SERVICE BUILDING AGREEMENT OF LEASE

1. 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 Agreement which as a matter of law are applicable to or which affect the operations of the Lessee at the premises hereunder, and the Lessee shall, in accordance with and subject to the provisions of paragraph 25 hereof, make any and all non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

(b) The Lessee shall procure from all governmental authorities having jurisdiction over the operations of the Lessee hereunder 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 is not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them.

(d) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus 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, the Lessee shall comply with all such enactments, ordinances, resolutions and regulations which would be applicable to its operations hereunder if the Port Authority were a private corporation, 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 which are applicable only because of the Port Authority's agreement in the Basic Lease. 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 non-compliance 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.

2. Rules and Regulations

(a) The Lessee covenants and agrees to observe and obey (and to require its officers, employees, guests, invitees and those 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 to the existing Rules and Regulations 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 guests, invitees and business visitors 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 either by delivery of a copy, or by making a copy available at the office of the Secretary of the Port Authority.

3. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations hereunder in an orderly and proper manner, so as not to unreasonably annoy, disturb or be offensive to others on or off the Airport. The Lessee shall take all reasonable measures to eliminate vibrations originating on the premises 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.

(b) 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 this 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 this Agreement 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 subparagraph. 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 subparagraph (b) shall continue throughout the term of this Agreement and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term of this Agreement 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 subparagraph (b) is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

(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 the persons using such roadways or other areas. 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.

(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 fire-fighting 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) The Lessee shall conduct all its operations at the premises in a safe and careful manner, following in all respects the best practices of the Lessee's business in the United States in connection therewith.

(h) Remove all snow and ice at the premises, including exclusive access points to the premises located in Areas A and B and perform all other activities and functions necessary or proper to make the premises available for use by the Lessee.

4. 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 Lessee's internal-combustion engines so long as such engines are maintained and are being operated in a proper manner, shall not be a violation of this subparagraph (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 4 of this Agreement. 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 Rating Organization of New York, 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 paragraph 25 hereof, make any and all non-structural 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 subparagraph 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 4 of the Lease, 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 or permit any one to dispose of any waste material (whether liquid or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the premises or on the Airport 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 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°F. 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 not 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 or item of automotive equipment is equipped with a proper spark-arresting device which has been approved by the Port Authority.

(h) 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 or dispensing of food, beverages, tobacco, tobacco products, or merchandise of any kind whether or not included in the above categories, or of any equipment or devices for the furnishing to the public of service of any kind including therein, without limitation thereto, telephone pay stations.

(i) 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, 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.

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

(k) Intentionally Left Blank

(l) The Lessee shall not fuel or defuel its automotive vehicles or other equipment in the enclosed portion of the premises without the prior approval of the General Manager of the Airport.

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

5. Maintenance, Repair and Property Insurance

(a) The Lessee shall at all times keep 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 parts of the premises which are open to or visible by the general public.

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

(c) Except for damage or destruction occurring under circumstances set forth in subparagraphs (b) and (h) of this paragraph and except for reasonable wear and tear the Port Authority shall, as necessary for the preservation of the building, maintain and make all repairs and replacements to the structural supporting frame and roof of the building, and the exterior of the exterior walls (excluding doors, screens and glass).

(d) With respect to all other parts of the premises, including, without limitation thereto, the building walls, partitions, floors, ceilings, doors, screens, sash, glass of every kind, the electrical, mechanical, plumbing, heating, steam, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, the Lessee shall take good care of the premises so that at the expiration or termination of the term and at all times during this Agreement, the same will be in as good condition as at the commencement thereof, except for reasonable wear and tear which does not adversely affect the efficient or proper utilization thereof. To that end and regardless of the cause of the condition requiring the same, the Lessee shall carry on periodic inspections, perform all necessary preventive maintenance including but not limited to painting, make all necessary repairs and replacements and do all necessary rebuilding with respect to the same, all of which shall be in quality equal to the original in materials and workmanship.

(e) The Lessee shall not use any cleaning materials having a harmful or corrosive effect, on any part of the premises. The Lessee shall promptly wipe up all oil, gasoline, grease, lubricants and other inflammable liquids and substances and all liquids or substances having a corrosive or detrimental effect on the surface of the premises, which may leak or be spilled thereon.

(f) In the event the Lessee fails to commence so to maintain, clean, repair, replace or paint within a period of twenty (20) days after notice from the Port Authority so to do, 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.

(g) The obligation of the Lessee as set forth in subparagraph (b) of this paragraph 5 (in the event that damage or destruction caused by the acts or omissions of the Lessee or by those of its employees, customers, guests or invitees, or of other persons doing business with the Lessee, is covered by any contract of insurance under which the Port Authority is the insured) is hereby released to the extent that the loss is recouped by actual payment to the Port Authority of the proceeds of such insurance; provided, however, that, if this release shall invalidate any such policy of insurance or limit or void the Port Authority's rights thereunder, then this release shall be void and of no effect; and provided further that this release shall be void and of no effect if and to the extent that such damage or destruction is covered under the Port Authority's self-insurance plan as hereinafter provided in subparagraph (k) of this paragraph 5.

(h) (1) In the event that as a result of the sinking or settling of the ground, or as the result of a casualty, the premises are damaged (without fault of the Lessee, its employees, customers, guests, invitees or persons doing business with it) so as to render it untenantable in whole or a substantial part, then

(i) if, in the opinion of the Port Authority, the necessary repairs or rebuilding, can be completed within ninety (90) days after the occurrence of the damage, the Port Authority shall repair or rebuild with due diligence, and the rental hereunder shall be abated as hereinabove provided for the period from the occurrence of the damage to the completion of the repairs or rebuilding, whether or not the work of repair or rebuilding is actually completed within the said ninety days; or

(ii) if, in the opinion of the Port Authority, such repairs or rebuilding cannot be completed within ninety (90) days after the occurrence of the damage or if the building requires rebuilding, then the Port Authority shall have the following options: (1) to proceed with due diligence to repair or to rebuild as necessary; or (2) by written notice to the Lessee to terminate the letting as to the damaged portion of the premises, allowing an abatement of rental therefor and if such option is exercised by the Port Authority and affects a substantial part of the premises, the Lessee shall have the right within thirty (30) days after receipt of such notice, on fifteen (15) days' written notice to the Port Authority, to terminate this Agreement as to the balance of the premises; or (3) to cancel this Agreement and terminate the letting as to the entire premises, and the rentals payable under this Agreement shall be abated as hereinabove provided either, as the case may require, for the period from the occurrence of the damage to the completion of repairs and rebuilding, or for the period from the occurrence of the damage to the effective date of termination by the Port Authority for the portion of the premises involved.

(2) "Substantial part" shall mean, for the purpose of this subparagraph (h), at least twenty-five percent (25%) of the total usable enclosed floor space forming a part of the premises.

(i) The Lessee shall be the insurer of the Port Authority against the risk of loss or theft of or damage to any Port Authority fixtures, equipment and personal property which are a part of or are located in or on the premises and shall promptly replace or repair the same within five (5) days of such loss, theft or damage.

(j) Nothing herein contained shall relieve the Lessee of its obligations under paragraph 25 hereof to secure the Port Authority's written approval before installing any fixtures in or upon or making any alterations, decoration, additions or improvements in the premises.

(k) Subject to the availability of such insurance, the Port Authority shall in the name of the Port Authority, and for its benefit only, throughout the term keep the entire premises insured to the extent of at least eighty percent (80%) of the insurable value thereof, if the same are not protected from the peril of fire by a sprinkler system and at least ninety percent (90%) of the full insurable value thereof if so protected, such insurable value throughout the term to be as determined by the Port Authority at the time or times of insuring) against damage or loss by fire, windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the Standard Form of Fire Insurance Policy of the State of New York and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction. The Port Authority hereby reserves the right, exercisable at any time during the term of this Agreement, to self-insure the premises either in whole or in part under its self-insurance plan against any and all of the risks enumerated in this subparagraph (k), and if and at such time as it shall do so it will give the Lessee at least sixty (60) days' prior written notice to such effect.

(l) The parties hereby stipulate that neither the provisions of Section 227 of the Real Property Law of New York nor those of any other similar statute shall extend or apply to this Agreement.

6. Indemnity and Liability Insurance

(a) 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 and 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 performance or observing any term or provision of this Agreement, or out of the use or occupancy of the premises by the Lessee or by others with its consent or out of any of the acts or omissions of the Lessee, its officers, employees, guests, invitees and business visitors on the premises, or arising out of the acts or omissions of the Lessee, its officers and employees elsewhere at the Airport, including claims and demands of the City of New York from which the Port Authority derives its rights in the Airport, for indemnification, arising by operation of law or through agreement of the Port Authority with the said City, excepting only claims and demands arising from the affirmative, willful misconduct or gross negligence of the Port Authority.

(b) 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 the same 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 provisions of any statutes respecting suits against the Port Authority.

(c) Without limiting the insurance provisions of this Agreement, in the event the Lessee maintains the liability insurance in limits greater than set forth in this Agreement, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with all terms and provisions hereof.

(d) All insurance coverages and policies required under this Agreement 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 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 and the Lessee shall promptly comply therewith.

(e) As to the insurance required by the provisions of this Agreement a certified copy of the policies or a certificate or certificates, evidencing the existence thereof, or binders, shall be delivered by the Lessee to the Port Authority upon execution of this Agreement and delivery thereof by the Lessee to the Port Authority. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event a binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or 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 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. Any renewal policy shall be delivered to the Port Authority at least ten (10) 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.

7. 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 certified or registered mail. Said designated officer or representative of the Port Authority and the Lessee and their respective officers shall be as set forth in this Agreement. 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 Lessee designates its representative named on the first page of this Agreement as its representative upon whom notices and requests may be served and its address given on the first page of this Agreement as its office where notices and request may be served. The Port Authority hereby designates its Executive Director, as its representative upon whom notices and requests may be served, and its office at 225 Park Avenue South, New York, New York 10003. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the certified or registered mailing thereof.

8. 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 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.

9. Obstruction Lights

The Lessee shall install, maintain and operate at its own expense such obstruction lights on the outside area of the premises, if any, 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.

10. Additional Rent and Charges

(a) 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 3 of this Agreement.

(b) For all purposes under this paragraph and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of a 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 the same, any time report of any employee of the Port Authority showing hours of labor or work allocated to such work, or any stock requisition of the Port Authority showing the issuance of materials actually used in the performance thereof, shall likewise be prima facie evidence against the Lessee that the amount of such charge was necessary and reasonable.

11. 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 sewerage, 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 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 paragraph 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 the premises nor to any property of the Lessee or of any other person located therein 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 "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 of 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.

12. Condemnation

(a) In any action or other proceeding by any governmental agency or agencies for the taking for a public use of any interest in all or part of the premises, or in case of any deed, lease or other conveyance in lieu thereof (all of which are in this paragraph referred to as "taking"), the Lessee shall not be entitled to assert any claim to any compensation, award or part thereof made or to be made therein or therefor or any claim to any consideration or rental or any part thereof paid therefor, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority for any such taking, it being understood and agreed between the parties hereto that the Port Authority shall be entitled to all compensation or awards made or to be made or paid, and all such consideration or rental, free of any claim or right of the Lessee.

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

(c) In the event that the taking covers the entire premises, or in the event that the letting is terminated with respect to the entire premises pursuant to subparagraph (b) of this paragraph, then this Agreement shall, as of the date possession is taken by such agency or agencies from the Port Authority, or as of the effective date of such termination, cease and determine in the same manner and with the same effect as if the said date were the original date of expiration hereof.

(d) In the event that the taking covers a part only of the premises, or in the event that the letting is terminated pursuant to subparagraph (b) of this paragraph with respect to a part only of the premises, then the letting as to such part shall, as of the date possession thereof is taken by such agency or agencies, or as of the effective date of such termination, cease and determine in

the same manner and with the same effect as if the term of the letting had on that date expired, and the rentals shall be abated as hereinbefore provided.

(e) 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 letting of the entire premises is not terminated, the settlement or abatement of rentals after the date possession is taken by the body having a superior power of eminent domain shall be in accordance with Section 3 of this Agreement.

(f) As used in this paragraph with reference to the premises the phrase "a material part" shall mean such a part of the premises that the Lessee cannot continue to carry on its normal operations at the Airport without using such part.

13. 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 the prior written consent of the Port Authority and the payment of the then established fees therefor.

(b) The Lessee shall not sublet the premises or any part thereof, without the prior written consent of the Port Authority, other than to its Holding Company and any of the Holding Company's Subsidiaries provided, however, that any such assignee shall use the premises solely for the purposes set forth in Section 4 of the Lease and for no other purpose whatsoever and provided, further, that such assignment shall not be effective until an agreement in the form annexed hereto as "Exhibit X" has been executed by the Port Authority, the Lessee and the proposed assignee.

(c) If without prior written consent of the Port Authority, the Lessee assigns, sells, conveys, transfers, mortgages, pledges or sublets in violation of subparagraphs (a) and (b) of this paragraph 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 subparagraphs (a) and (b) of this paragraph 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.

(d) Any consent granted by the Port Authority to any assignment or subletting or to any sublease pursuant to the provisions hereof shall not be construed or deemed to release, relieve or discharge any succeeding assignee, successor or transferee of the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority in the event it wishes to sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting hereunder or any part thereof; and such assignee, successor or transferee or other person claiming any right, title or interest in this Agreement shall not sell, convey, transfer, mortgage,

pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without such prior written consent of the Port Authority.

(e) 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 4 of this Agreement. 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 then its own officers, employees, contractors, representatives, guests, visitors and business invitees.

14. 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 of 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 discharged within thirty (30) days after the Lessee has received notice thereof; or

(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, 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 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 five (5) 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 enumerated in subparagraph (a) of this paragraph shall occur prior to the letting, 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 hereunder, 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.

(f) Further, in the event the Port Authority exercises its right to revoke or terminate this Agreement for any reason other than "without cause", the Lessee shall be obligated to

pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such termination, including without limitation any re-entry, regaining or resumption of possession, collecting all amounts due to the Port Authority, Restorations of any portion of the premises which may be used and occupied under this Agreement (on failure of the Lessee to have it restored), such premises for use by a succeeding lessee, the care and maintenance of such premises during any period of non-use of the premises, the foregoing to include, without limitation, legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), repairing and altering the premises and putting the premises in order.

15. Right of Re-entry

The Port Authority shall, as an additional remedy upon the giving of a notice of termination as provided in paragraph 14 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.

16. 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.

17. 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 paragraph 14 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 paragraph 15 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) The amount of the total of all annual rentals less the installments thereof payable prior to the effective date of termination except the credit to be allowed for 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 said month, and

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

18. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to paragraph 14 hereof, or upon any re-entry, regaining or resumption of possession pursuant to paragraph 15 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 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 paragraph 14, or upon its re-entry, regaining or resumption of possession pursuant to the said paragraph 15, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of 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 hereunder 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.

19. 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.

20. Surrender

(a) 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.

(b) Unless required for the performance by the Lessee of its obligations hereunder, the Lessee shall have the right at any time during the letting to remove from the premises,

all its equipment, removable fixtures and other personal property, all property of third persons for which the Lessee is responsible, and on or before the expiration or earlier termination of the letting it shall remove all of the same from the premises, repairing all damage caused by any removal. If the Lessee shall so fail to remove such property on or before the termination or expiration of the letting, the Port Authority may remove such property to a public warehouse for deposit or may retain the same in its own possession and in either event may dispose of the same as waste material or sell the same at public auction, the proceeds of which shall be applied: first to the expenses of removal, including repair required thereby, and of 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, repair; storage and sale shall exceed the proceeds of sale, the Lessee shall pay such excess to the Port Authority upon demand. Without limiting any other term or provision of this Agreement, the Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and contractors from all claims of third persons arising out of the Port Authority's removal and disposition of property pursuant to this paragraph, including claims for conversion, claims for loss of or damage to property, claims for injury to persons (including death), and claims for any other damages, consequential or otherwise.

21. 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 paragraph 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.

22. Removal of Property

All personal property (including trade fixtures) removable without material damage to the premises, which are installed by the Lessee in or on the premises leased to the Lessee pursuant to this Agreement, shall be deemed to be and remain the property of the Lessee. All such property may at the Lessee's option be removed by the Lessee from the premises at any time during the term of this Agreement and shall, unless otherwise agreed in writing by the parties, be removed by the Lessee at or before the expiration or other termination of the term of this Agreement. Any such property remaining on the premises thereafter shall be deemed to be abandoned by the Lessee.

23. 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 herewith except CB Richard Ellis, Inc., a Delaware corporation, with an office and place of business at 200 Park Avenue, New York, New York 10166. The Lessee shall indemnify and save harmless the Port Authority from and against 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 the negotiation and execution of this Agreement, except CB Richard Ellis, Inc..

24. 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, and 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, light, power, telegraph, telephone, steam, or transportation services and of the City of New York and State of New York; (iii) permits, licenses, regulations and restrictions, if any, of the United States, the City of New York or State of New York or other governmental authority.

25. Construction by the Lessee

Except as expressly provided herein, the Lessee shall not erect any structures, make any improvements or do any other construction work on the premises or alter, modify, or make additions or improvements or repairs 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.

26. Place of Payments

All payments required of the Lessee by this Agreement shall be made to The Port Authority of New York and New Jersey, P. O. Box 95000-1517, Philadelphia, Pennsylvania 19195-1517, or made via the following wire transfer directions: Name of bank: Commerce Bank, Bank ABA number: 026013673, Account number: . (Ex. 1) , or to such other officer or address as may be substituted therefor by notice to the Lessee from time to time.

27. 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 of intent of any provision hereof.

(b) The terms, provisions and obligations contained in the Exhibit(s) and Schedule(s) 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.

28. 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.

29. 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 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.

30. Ingress and Egress

(a) The Lessee, its contractors, suppliers of material and furnishers of service, shall have the right of ingress and egress between the premises and a city street or public way outside the Airport by means of existing roadways 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 use of all roadways 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 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 subparagraph (a) above is concurrently made 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 or other area used as such whether within or outside the Airport, provided, that the Port Authority makes available to the Lessee a means of ingress and egress reasonably equivalent to that provided in subparagraph (a).

31. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this 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, creed, color, sex 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 by it, (2) that in the construction of any improvements on, over, or under the premises and furnishing of services thereon by it, no person on the ground of race, creed, color, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject 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, Non-discrimination 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 subparagraph (a) of this paragraph 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 covenant.

(c) The Lessee's non-compliance with the provisions of this paragraph 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 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 the Agreement and the letting hereunder with the same force and effect as a termination under paragraph 14 of this Agreement, or may pursue such other remedies as may be provided by law; and as to any or all 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 and against 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 paragraph and the Lessee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) Nothing contained in this paragraph 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 subparagraph (b) hereof, or any right to perform any construction on the premises.

32. Affirmative Action

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 shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The 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.

33. Condition of Premises

The Lessee hereby 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. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and determined them to be suitable for the Lessee's operations hereunder and the Lessee hereby agrees to take the premises in the condition they are in as of the commencement of the term of the letting hereunder. 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. It is hereby understood and agreed that whenever reference is made in this Agreement to the condition of the premises as of the commencement of the term hereof, the same shall be deemed to mean the condition of the premises as of the date of this Agreement, and as to the improvements made and the alteration work performed during the term of the Agreement in the condition existing after the completion of the same.

34. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including without limitation any payment of basic, percentage or other rental or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period hereinbelow 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 (0.8%) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods during each calendar year; 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 (15) (but not less than thirteen (13)) 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 to payment of any late charge or late charges payable under the provisions of this paragraph 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 3 of this Agreement. Nothing in this paragraph 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 termination rights set forth in paragraph 14 of this Agreement, or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this paragraph shall exceed a legal maximum applicable to such late charges then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

35. 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 John F. Kennedy International Airport, consisting of certain premises identified as "JFK International Airport" on Sheet JFK-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(b) "Basic Lease" shall mean the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 and recorded in the office of the city Register of the city on December 3, 2004 under City Register File No. 2004000748687, as the same may have been or may be amended or supplemented.

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

(d) The term "premises" as defined in Section 1 of this Agreement shall without limiting the generality of said Section include the land, buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigeration, 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.

(e) The term "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 General Manager by this Agreement; but until further notice from the Port Authority to the Lessee it shall mean the General Manager (or the temporary or acting General Manager) of the Airport for the time being, or his duly designated representative or representatives.

(f) The terms "governmental authority", "governmental board" and "governmental agency" shall mean federal, state, municipal and other governmental authorities, boards and agencies of any state, nation or government, except that it shall not be construed to include The Port Authority of New York and New Jersey, the lessor under this Agreement.

(g) The term "person" shall mean not only a natural person, corporation or other legal entity, but also two or more natural persons, corporations or other legal entities acting jointly as a firm, partnership, unincorporated association, consortium, joint adventurers or otherwise.

36. Effect of the Basic Lease

(a) The Lessee acknowledges that it has received, and is familiar with the contents of, a copy of the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 (the "Basic Lease")

(b) In accordance with the provisions of the Basic Lease, the Port Authority and the Lessee hereby agree as follows:

(i) This Agreement is subject and subordinate to the Basic Lease and to any interest superior to that of the Port Authority;

(ii) The Lessee shall not pay rent or other sums under this Agreement for more than one (1) month in advance (excluding security and other deposits required under this Agreement);

(iii) With respect to this Agreement, the Lessee on the termination of the Basic Lease will, at the option of The City of New York (the "City"), attorn to, or enter into a direct lease on identical terms with, the City;

(iv) The Lessee shall indemnify the City with respect to all matters described in Section 31 of the Basic Lease;

(v) The Lessee shall not use the premises hereunder for any use other than as permitted under the Basic Lease;

(vi) The Lessee shall use, operate and maintain the premises hereunder in a manner consistent with the Port Authority's obligations under Section 28 of the Basic Lease;

(vii) The failure of the Lessee to comply with the forgoing provisions shall be an event of default under this Agreement, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate this Agreement and exercise any other rights that the Port Authority may have as the landlord hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Lessee pursuant to this Agreement.

37. Hazardous Substances

(a) The term "Hazardous Substance" as used in this Lease 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 which have been or in the future shall be declared to be hazardous or toxic, or the removal of which have been or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which have been or in the future shall be restricted, prohibited, regulated or penalized by any 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.

(b) The Lessee shall not dispose of, release or discharge or 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 paragraphs 1 and 3 hereof or any term, provision, covenant or condition hereof, 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 from the Port Authority to the Lessee and subject to the provisions of paragraph 26 hereof, 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 Lease.

38. Services to the Lessee

(a) Except as provided in this paragraph 38 the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Agreement or the use and occupancy of the premises hereunder.

(b) The Port Authority shall furnish and supply to the Lessee in reasonable quantities and to the extent of the capability of existing facilities for use on the premises and the Lessee agrees to take from the Port Authority electricity of the same voltage, phase and cycle as supplied to the premises by the public utility in the vicinity, through existing wires, conduits and outlets, if any. The Port Authority shall not discontinue the supply of electricity except upon fifteen (15) days' notice to the Lessee and unless a supply of electricity of the same voltage, phase and cycle shall be available from another supplier and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such current after the expiration of said fifteen (15) days from any other person, firm or corporation.

(c) The Port Authority shall furnish and supply to the Lessee for use on the premises cold water (of the character furnished by the City of New York) in reasonable quantities through pipes, mains and fittings and the Lessee agrees to take such water from the Port Authority.

(d) The Lessee shall pay to the Port Authority such of the existing and future charges for sewerage services furnished by the City of New York as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof. In the event that the City or the State of New York is now furnishing services with or without charge therefor, which are beneficial to the Lessee in its use of the premises, and shall hereafter impose charges or increase existing charges for such services, the Lessee agrees to pay to the Port Authority such of the charges or the increase in charges as may be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof.

(e) In the event the Port Authority shall provide extermination service for the premises, the Lessee agrees to utilize the same and to pay its share of the reasonable cost thereof, upon demand. This paragraph does not impose any obligation on the Port Authority to furnish such service.

(f) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to

comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. The Port Authority shall not be obligated to perform or furnish any service whatsoever in connection with the premises at any time while the Lessee shall be in default hereunder or has breached any of the provisions hereof, after the period, if any, herein granted to cure such default shall have expired.

No failure, delay or interruption in supplying agreed services (whether or not a separate charge is made therefore) shall be or be construed to be an eviction of the Lessee or grounds for any diminution or abatement of rental, or (unless resulting from the negligence or wilful failure of the Port Authority) shall be grounds for any claims by the Lessee for damages, consequential or otherwise.

For the Port Authority

Initialed:

For the Lessee

SCHEDULE S

Security Agreement

(a) Upon the execution of this Agreement by the Lessee and delivery thereof to the Port Authority, the Lessee shall deliver to the Port Authority, as security for all obligations of the Lessee under this Agreement, 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, in favor of the Port Authority in the amount of Five Hundred Thousand Dollars and No Cents ($500,000.00). 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 throughout the term of the Agreement, 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 letter. 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 another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security under this paragraph. Failure to provide such letter of credit at any time during the term of the Agreement, which is 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 the Agreement, 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.

(b) 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 Agreement, and all remedies thereunder of the Port Authority consequent upon such default shall not be affected by the existence of or a recourse to any such letter of credit.

(c) For purposes of the provisions set forth in this paragraph, the Lessee certifies that its I.R.S. Employer Identification Number is (Ex. 1)

For the Port Authority

Initialed by:

For the Lessee

CONTRACT OF GUARANTY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, The Port Authority of New York and New Jersey, (hereinafter called "the Port Authority") is willing to enter into the attached Lease Agreement identified by Lease No. AYD-574 (hereinafter called "the Lease") with NORTH AMERICAN AIRLINES, INC., a corporation organized and existing under and by virtue of the laws of the State of Delaware with an office and place of business at John F. Kennedy International Airport, Building 141, Jamaica, New York 11430 (hereinafter called "the Lessee") upon certain terms and conditions among which is the guaranty of certain of the obligations of the Lessee by the corporation hereinafter described; and

WHEREAS, WORLD AIR HOLDINGS, INC., a corporation organized and existing under and by virtue of the laws of the State of Delaware with an office and place of business at 101 World Drive, Peachtree City, Georgia 30269 (hereinafter called "the Guarantor"), is the absolute and unconditional owner of all of the issued and outstanding shares of the capital stock of the Lessee; and

WHEREAS, in order to induce the Port Authority to enter into the Lease, the Guarantor has agreed to guarantee the payment of all Additional Rental monetary obligations of the Lessee as defined in Section 10 the Lease and the performance by the Lessee of all the terms, conditions, covenants and provisions of the Lease with respect to the payment of the Additional Rental on its part to be kept, performed, observed and fulfilled; and

WHEREAS, this Contract of 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, the making of the Lease between the Port Authority and the Lessee will inure to the benefit of the Guarantor and enhance its business and improve its situation;

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

1. The Guarantor does hereby absolutely and unconditionally guarantee, promise and agree that the Lessee will duly and punctually pay all of the Additional Rental monetary obligations set forth in Section 10 of the Lease and will fully and faithfully perform, observe and fulfill each and every promise, agreement, condition, term and provision contained in the Lease with respect to the payment of the Additional Rental to be performed, observed and fulfilled by the Lessee.

2. The Guarantor waives and dispenses with any notice of non-payment, non-performance or non-observance, or proof of notice or demand whereby to charge it therefor, and agrees that the validity of this Contract of Guaranty and the obligations of the Guarantor hereunder shall in nowise be terminated, affected or impaired by reason of any failure of the Port Authority to insist upon strict performance 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 pursuant to 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 re or discharge of the Lessee in any creditor's receivership, bankruptcy or other similar proceeding; or

(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; or

(c) The rejection or disaffirmance of the Lease in any creditor's receivership, bankruptcy or other similar proceeding; or

(d) Any disability or any defense of the Lessee.

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, so long as any payment of the Additional Rental remains outstanding to the Port Authority and whether in accordance with the terms of the Lease, or by a separate or additional document, 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 such 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 amend the obligations of the Guarantor hereunder.

IN WITNESS WHEREOF, the Guarantor caused these presents to be executed this 23rd day of Feb 2007.

ATTEST

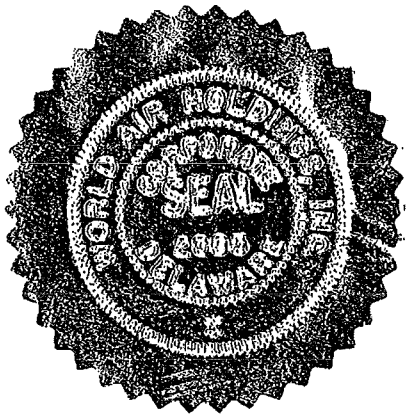
Secretary

WORLD AIR HOLDINGS, INC.

By

(Title) President

(Corporate Seal)



Corporate Acknowledgment

STATE OF Georgia)
) ss.:
COUNTY OF Fayette)

On the 22ND day of FEB. , 2007 before me, personally came JEFF MACKINNEY to me known, who, being by me duly sworn, did depose and say that he/~~she~~ resides at
(Ex. 1)
;that he/~~she~~ is the PRESIDENT of WORLD AIR HOLDINGS, INC., the corporation described in, and which executed the foregoing instrument; that he/she knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation; and that he/she signed his/her name thereto by like order.

(notarial seal and stamp)

MY COMMISSION EXPIRES
JUNE 7TH 2008

Certificate of Secretary

I, [illegible], Secretary of WORLD AIR HOLDINGS, INC., a corporation of the State of Delaware, do hereby certify as follows:

1. That WORLD AIR HOLDINGS, INC., is the unconditional and absolute owner of all of the issued and outstanding voting shares of the capital stock of North American Airlines, Inc., a corporation of the State of Delaware.

2. That the following is a full, true and correct copy of a Resolution adopted by unanimous vote of the Board of Directors of World Air Holdings, Inc., present at a meeting of the Board of Directors held on the 8th day of Feb., 2007 duly called and held in accordance with law and with the charter and by-laws of WORLD AIR HOLDINGS, 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 not 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, granting permission to occupy space at John F. Kennedy Airport in connection with the Lessee's airline business at the Airport, and providing for the payment of Additional Rental by North American Airlines, Inc., all as more particularly set forth in the Lease, this Corporation shall at all times during the effective period of the said Lease as the same may be extended, supplemented, or amended, guarantee all of the Additional Rental payment obligations of North American Airlines, Inc. and the full, punctual and faithful performance of all of the terms, provisions, and conditions to be performed, fulfilled and observed by NORTH AMERICAN AIRLINES, INC. with respect to the payment of the Additional Rental under the said Lease; and be it further
>
> RESOLVED, that in the judgment of the Board of Directors, this action will effectuate the purpose 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 hereby is, 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 NORTH AMERICAN AIRLINES, 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."

3. That the purpose of this certificate is to induce the Port Authority of New York and New Jersey to enter into a Lease with NORTH AMERICAN AIRLINES, INC. covering privileges at John F. Kennedy International Airport, in the City of Queens and State of New York 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 Feb 22nd, 2007.

Secretary of World Air Holdings, Inc.
(Corporate Seal)

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

John F. Kennedy International Airport
Port Authority Lease No. AYD-574
Supplemental Agreement No. 1

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made as of December 31, 2007, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **NORTH AMERICAN AIRLINES, INC.** (hereinafter called the "Lessee");

WITNESSETH, That:

WHEREAS, by an agreement of lease made as of February 17, 2007 (which lease is hereinafter called the "Lease") the Port Authority let to the Lessee and Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport, all 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, for and in consideration of the covenants and agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

1. The Port Authority and the Lessee acknowledge and agree that the Lessee's Finishing Work, as set forth in Section 8 of the Lease, has been completed in accordance with the provisions of the Lease. Upon the Lessee's execution of this Supplemental Agreement No. 1 and delivery to and receipt by the Port Authority, the Port Authority shall deliver to the Lessee the Lessee's Finishing Allowance in the amount of (Ex. 2.a.)

2. Effective as of January 1, 2008, and in accordance with Section 9 of the Lease, the Lessee hereby agrees to pay to the Port Authority the Additional Rental amounts as set forth in Schedule A, which is attached hereto and hereby made a part hereof.

3. 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.

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 all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this Supplemental Agreement.

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 it under any term or condition of this Supplemental Agreement, or because of its 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.

6. This Supplemental Agreement, together with the Lease (to which it is supplementary) 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.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

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) David Kagan
Assistant Director
Business, Properties & Airport Development
(Seal)

ATTEST:

Catherine Watson
Asst. Secretary

NORTH AMERICAN AIRLINES, INC.

By

(Name) Jeff Wehrenberg

(Title) ~~President~~ Chief Operating Officer
(Corporate Seal)

WORLD AIR HOLDINGS, INC.,
as Guarantor pursuant to a contract of Guaranty dated February 22, 2007, hereby, acknowledges, consents and agrees to the terms of the Lease as supplemented by this Supplemental Agreement.

By

(Print Name) Mark M. McMillin
General Counsel &
Corporate Secretary

(Title) President

ATTEST:
Secretary

Port Authority Use Only	
Approval as to Terms:	Approval as to Form:

JJL/dmt

SCHEDULE A

JFK Airport - North American Airlines
Building 141 - Lease Agreement AYD-574
Schedule A - Calculation of Additional Rental

paid by PA; NAA completed build-out of unfinished space
Permit to Occupy issued 11-30-07 (TAA Y-7896)

To be repaid over the term of the lease

Term of Lease: 3/1/07 - 2/28/17
First Payment due: 1/1/08 Last Payment due: 2/1/17

Date	Monthly Payment
1/1/2008	
2/1/2008	(Ex. 2.a.)
3/1/2008	
4/1/2008	
5/1/2008	
6/1/2008	
7/1/2008	
8/1/2008	
9/1/2008	
10/1/2008	
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10/1/2009	
11/1/2009	
12/1/2009	
1/1/2010	

2/1/2010
3/1/2010
4/1/2010 (Ex. 2.a.)
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10/1/2010
11/1/2010
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12/1/2013 (Ex. 2.a.)
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12/1/2016
1/1/2017
2/1/2017

Initialed: _____
For the Port Authority

_____
For the Lessee

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

For the Port Authority of NY & NJ

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

On the 19TH day of FEBRUARY in the year 2008, 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.

Gail E. Mitchell

(notarial seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6026210
Qualified in Queens County
My Commission Expires June 14, 2011

For North American Airlines, Inc.

STATE OF New York)
) ss.
COUNTY OF Suffolk)

On the 4th day of January in the year 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared JEFF WEHRENBERG, 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.

(notarial seal and stamp)

EVON A. MALAGRECA
Notary Public, State of New York
No. 01MA5088052
Qualified in Suffolk County
Term Expires December 31, 2009

AYD-574 Supp#1

For World Air Holdings, Inc.

STATE OF Georgia)
) ss.
COUNTY OF Fayette)

On the 8th day of January in the year 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared Mark M. McMillin, 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.

Catherine Watson
(notarial seal and stamp)

MY COMMISSION EXPIRES
JUNE 7TH 2008

AYD-574 Supp#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

Supplement No. 2
John F. Kennedy International Airport
Port Authority Lease No. AYD-574

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made as of the 1st day of April 2011, by and between the PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter referred to as the "Port Authority"), and NORTH AMERICAN AIRLINES, INC. (hereinafter called the "Lessee"),

WITNESSETH, That:

WHEREAS, by a certain agreement of lease made as of February 17, 2007 (which agreement of lease, as the same has been supplemented and amended, is hereinafter called the "Lease"), the Port Authority leased and granted to the Lessee certain premises, rights, licenses and privileges at John F. Kennedy International Airport (hereinafter called "the Airport"), as more particularly described in the Lease; and

WHEREAS, the parties hereto desire to amend the lease in certain respects as hereinafter provided;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree, effective as of the dates set forth below, to amend the Lease, effective as of the date set forth above as follows:

1. Effective as of April 15, 2011, paragraph (a) in Section 4 or the Lease entitled "Use of the Premises" shall be deleted and the following paragraph (a) shall be deemed inserted in lieu thereof:

"(a) The Lessee, in connection with the Lessee's airline business at the Airport, shall use the premises for the following purposes only and for no other purpose or activity whatsoever:

(i) Portions of Area A and all of Area C shall be used for the operational, administrative and office functions in connection with the Lessee's airline business elsewhere at the Airport".

(ii) Portions of Area A and all of Area B shall be used for the maintenance and repair of airport ground transportation vehicles.

(iii) Area D shall be used for the loading and unloading of goods on and from automobiles and trucks, and for the parking of vehicles owned or operated by the Lessee or its employees and customers".

2. Effective from and after the date hereof, the following Sections shall be deemed inserted in Schedule A attached to the Lease:

Section 39. Holdover

Without in any way limiting the provisions set forth in the Sections of this Agreement entitled *"Termination"*, *"Right of Re-entry"* and *"Survival of the Obligations of the Lessee"*, unless otherwise notified by the Port Authority in writing, in the event the Lessee remains in possession of the premises after the expiration or termination of the term of the letting under this Agreement, as it may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Agreement or other remedies the Port Authority may have by law or otherwise, the Lessee shall pay to the Port Authority a rental for the period commencing on the day immediately following the date of such expiration or the effective date of such termination and ending on the date that the Lessee shall surrender and completely vacate the premises at an annual rate equal to twice the sum of (i) the annual rate of rental in effect on the date of such expiration or termination, plus (ii) all items of additional rent and other periodic charges payable with respect to the premises by the Lessee at the annual rate in effect during the 365 day period immediately preceding such date. Nothing herein contained shall give, or be deemed to give, the Lessee any right to remain in possession of the premises after the expiration or termination of the letting under this Agreement. The Lessee acknowledges that the failure of the Lessee to surrender, vacate and yield up the premises to the Port Authority on the effective date of such expiration or termination will or may cause the Port Authority injury, damage or loss. The Lessee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Lessee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

Section 40. Waiver of Trial by Jury

The Lessee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Lessee in respect of the premises and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Agreement. The Lessee specifically agrees that it shall not interpose any claims as counterclaims in any summary proceeding or 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.

3. 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.

4. The Lessee represents and warrants that no broker has been concerned 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 all claims for commission or brokerage made by any and all persons, firms or corporations whatsoever for services in connection with the negotiation and execution of this 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 Agreement, or because of its 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 Agreement shall be binding upon the Port Authority unless expressed in writing herein.

6. This Agreement, together with the Lease (to which it is supplementary) 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 Agreement.

IN WITNESS WHEREOF, the Port Authority and the Lessee have executed these presents as of the date first above written.

ATTEST:

Karen E. Eastman

Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By: [signature]

(Title) David Kagan
Assistant Director
Business, Properties & Airport Development

(Seal)

ATTEST:

[signature]

Secretary

NORTH AMERICAN AIRLINES, INC.

By: [signature]
Jeffery Wehrenberg

(Title) SR. V.V. - COO

(Corporate Seal)

Agreed and Accepted as of April 15, 2011 by
World Air Holdings, Inc., Guarantor

By Brian S Gillman

(Title) Brian S. Gillman
Sr. Vice President,
General Counsel & Secretary

SEAL 1989 DELAWARE

APPROVED:

FORM	TERMS
JCL	[signature]

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

For the Port Authority

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

On the 18TH 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.

Gail E. Mitchell
(notarial seal and stamp)
GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6026210
Qualified in Queens County
My Commission Expires June 14, 2015

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

On the 10th day of May in the year 2011 before me, the undersigned, a Notary Public in and for said state, personally appeared Jeffery Wehrenberg, 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.

MARSHA EPSTEIN
Notary Public, State of New York
No. 01EP6229618
Qualified in Nassau County
Commission Expires October 18, 2014

(notarial seal and stamp)
Marsha Epstein