

From: prblawyers@aol.com
Sent: Wednesday, March 06, 2013 10:52 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
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Mailing Address 2:
City: FLUSHING
State: NY
Zip Code: 11354
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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 262FEDEX located at JFK Airport, Jamaica, NY 11430 for the last 5 years

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

April 15, 2013

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

Re: Freedom of Information Reference No. 13819

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 any amendments or extensions thereto between the Port Authority, as landlord, in connection with the building 262 Fedex 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/13819-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*

09-0818

Lease No. AYD-912

AGREEMENT OF LEASE

between

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

and

FEDERAL EXPRESS CORP.

Dated as of November 1, 2008

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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

Port Authority Lease No. AYD-912

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made as of November 1, 2008 (the "*Effective Date*") by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**, 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, in the Borough of Manhattan, City, County and State of New York (the "*Port Authority*"), and **FEDERAL EXPRESS CORPORATION** a corporation of the State of Delaware with an office and place of business at 3680 Hacks Cross Road Building H, Memphis, Tennessee 38125 (the "*Lessee*"), whose representative is William Pettit,

WITNESSETH, that:

WHEREAS, pursuant to that certain agreement of lease made as of July 15, 1972 bearing Port Authority Lease No. AYA-586 (which lease as amended, supplemented and extended by supplements nos. 1 through 7 is herein called the "*Lease No. AYA-586*"), where the Port Authority leased to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as described in Lease No. AYA-586;

WHEREAS, pursuant to that certain agreement of lease made as of May 1, 1981 bearing Port Authority Lease No. AYB-449 (which lease as amended, supplemented and extended by supplements nos. 1 through 3 is herein called the "*Lease No. AYB-449*") (Lease No. AYA-586 and Lease No. AYB-449 are hereinafter collectively called the "**Prior Leases**"), the Port Authority leased to the Lessee and the Lessee hired and took from the Port Authority certain premises at John F. Kennedy International Airport as described in Lease No. AYB-449;

WHEREAS, the parties hereby agree and acknowledge that immediately preceding the commencement of the term of the letting hereunder, the premises under the Prior Leases were the same as the Premises hereunder as defined herein;

NOW, THEREFORE, for and in consideration of the rents, covenants and mutual agreements herein contained, the Port Authority and the Lessee hereby agree as follows:

Section 1. Definitions.

(a) Unless otherwise indicated or unless the context otherwise requires, the following capitalized terms used in this Lease shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the defined terms):

"Additional Rental" shall mean the rental payable by the Lessee to the Port Authority pursuant to and calculated in accordance with the terms and conditions of Section 4 entitled "Rental".

"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 Person 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%). As used in this definition, the term "control" (including the terms controlling, controlled by and under common control with) shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Agreement of Lease.

"Airport" shall mean John F. Kennedy International Airport in the County of Queens, City and State of New York.

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

"Air Cargo Handling Services" shall have the meaning set forth in Section 6 hereof entitled "Use of Premises".

"Air Cargo Ramp Services" shall have the meaning set forth in Section 6 hereof entitled "Use of Premises".

"Air Cargo Services" shall have the meaning set forth in Section 6 hereof entitled "Use of Premises".

"Basic Lease" shall mean the Amended and Restated Agreement of Lease between The City of New York, as landlord, and the Port Authority, as tenant, dated as of

November 24, 2004, as the same from time to time may be supplemented or amended and/or restated. Said agreement dated as of November 24, 2004, has been recorded in the Office of the Register of The City of New York, County of Queens, on December 3, 2004 with a City Register File Number of 2004000748687.

"Building No. 262" shall have the meaning set forth in Section 2 hereof entitled "Letting".

"Building No. 262 Premise Rentals" shall have the meaning set forth in Section 2 hereof entitled "Letting".

"Building No. 262 Premises" shall have the meaning set forth in Section 2 hereof entitled "Letting".

"Building No. 262 Premises Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Cargo Aircraft" as used herein shall mean an aircraft specially adopted for and used exclusively for the transportation of cargo.

"City" and **"City of New York"** shall mean the municipal corporation of the State of New York known as The City of New York.

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

"Construction Application" shall have the meaning forth in Section 5 hereof entitled "Construction Work by the Lessee".

"Construction Work" shall have the meaning forth in Section 5 hereof entitled "Construction Work by the Lessee".

"Construction Work Certificate" shall have the meaning forth in Section 4 hereof entitled "Rental".

"Contractor" shall have the meaning set forth in Section 5 hereof entitled "Construction Work by the Lessee".

"Cost of the Construction Work" shall have the meaning forth in Section 4 hereof entitled "Rental".

“*Customer of the Lessee*” shall have the meaning set forth in Section 6 hereof entitled “Use of Premises”.

“*Date of Taking*” shall have the meaning set forth in Section 53 hereof entitled “Condemnation”.

“*Disposal*” shall have the meaning set forth in Section 44 hereof entitled “Environmental Obligations”.

“*Effective Date*” shall have the meaning given such term in the first paragraph hereof.

“*EEO*” shall have the meaning set forth in Schedule E.

“*Environmental Damages*” shall mean any one or more of the following: (i) the presence in, on, or under the Premises of any Hazardous Substance whether such presence occurred prior to or during the Term or term of any Prior Lease or resulted from any act or omission of the Lessee or others, and/or (ii) the disposal, discharge, release or threatened release of any Hazardous Substance from the Premises or of any Hazardous Substance from under the Premises and/or (iii) the presence of any Hazardous Substance in, on or under other property at the Airport as a result of (x) the Lessee’s use and occupancy of any portion of the Premises or the performance of construction work or any other work or activities at the Premises or (y) a migration of a Hazardous Substance from the Premises or from under the Premises or (z) the Lessee’s operations at the Airport, and/or (iv) any personal injury, including wrongful death, or property damage, arising out of or related to any Hazardous Substance described in (i), (ii) or (iii) above, and/or (v) the violation of any Environmental Requirement pertaining to any Hazardous Substance described in (i), (ii) or (iii) above, the Premises and/or the activities thereon.

“*Environmental Requirements*” 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, including without limitation Port Authority rules and regulations, all pollution prevention programs, “best management practices plans”,(including management bulletins) and other programs adopted by the Port Authority or agreements made by the Port Authority with any governmental agencies (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

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

(ii) All requirements pertaining to the protection from Hazardous Substances of the health and safety of employees or the public; and

(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.

"Equal Employment Opportunity" or **"EEO"** shall have the meaning set forth in Schedule E.

"Extended Term" shall have the meaning given such term in Section 3 hereof entitled "Term".

"Extended Term Offer Notice" shall have the meaning set forth in Section 3 hereof entitled "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.

"Governmental Authority", "Governmental Board" and "Governmental Agency" shall each mean federal, state, municipal and other governmental authorities, boards and agencies of any state, nation or government, except that they shall not be construed to include the Port Authority.

"Gross Receipts" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Gross Sublease Rentals" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Ground Area" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Handling Percentage Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Hangar 6" shall have the meaning set forth in Section 2 hereof entitled "Letting".

"Hangar No. 6 Premises" shall have the meaning set forth in Section 2 hereof entitled "Letting".

"Hangar No. 6 Premises Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Hazardous Substance" shall mean any pollutant, contaminant, toxic or hazardous waste, dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls ("PCBs"), chemicals known to cause cancer, endocrine disruption or reproductive toxicity, petroleum and petroleum products and other substances which have been or in the future shall be declared to be hazardous or toxic, or the removal, containment or restriction of which have been or in the future shall be required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which have or in the future shall be restricted, prohibited, regulated or penalized by any federal, state, county, or municipal or other local statute or law now or at any time hereafter in effect as amended or supplemented and by the regulations adopted and publications promulgated pursuant thereto.

"Labor Troubles" shall have the meaning set forth in Section 5 hereof entitled "Construction Work by the Lessee".

"Lease No. AYA-586" shall have the meaning given such term in the first Whereas clause hereof.

"Lease No. AYB-449" shall have the meaning given such term in the second Whereas clause hereof.

"Lease" shall mean this Agreement of Lease.

“*Lessee*” shall have the meaning set forth in the preamble to this Agreement.

“*Lessee’s Air Cargo Transportation Business*” shall have the meaning set forth in Section 6 hereof entitled “Use of Premises”.

“*Lessee’s Use Agreements*” shall have the meaning set forth in Section 15 hereof entitled “Prior Leases”.

“*Local Business Enterprise*” or “*LBE*” shall have the meaning set forth in Schedule F attached hereto.

“*Material Part*” shall have the meaning set forth in Section 53 hereof entitled “Condemnation”.

“*Matter*” shall have the meaning set forth in Section 44 hereof entitled “Environmental Obligations”.

“*Meaningful Participation*” shall have the meaning set forth in Schedule E hereof.

“*Minority*” shall have the meaning set forth in Schedule E hereof.

“*Minority Business Enterprise*” or “*MBE*” shall have the meaning set forth in Schedule E.

“*Notice*” shall have the meaning set forth in Section 36 hereof entitled “Notices”.

“*Offer Party*” shall have the meaning set forth in Section 3 hereof entitled “Term”.

“*Pending Construction Work Application*” shall have the meaning set forth in Section 5 hereof entitled “Construction Work by the Lessee”.

“*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.

“*Premises*” shall have the meaning set forth in Section 2 hereof entitled “Letting”.

“*Prior Leases*” shall have the meaning set forth in the second Whereas clause hereof.

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

"Receipt Party" shall have the meaning set forth in Section 3 hereof entitled "Term".

"Removed Material" shall have the meaning set forth in Section 5 hereof entitled "Construction Work by the Lessee".

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

"Scheduled Aircraft Operator" shall mean a Civil Aircraft Operator engaged in transportation by aircraft operated wholly or in part on regular flights to and from the Airport in accordance with published schedules; but so long as the Federal Aviation Act of 1958, or any similar federal statute providing for the issuance of Foreign Air Carrier Permits or Certificates of Public Convenience and Necessity or substantially similar permits or certificates, is in effect, no person shall be deemed to be a Scheduled Aircraft Operator within the meaning of this Lease unless he also holds such a permit or certificate.

"Security Agreement" shall have the meaning set forth in Section 38 hereof entitled "Security".

"Shed" shall have the meaning set forth in Section 2 hereof entitled "Letting".

"Shed Rental" shall have the meaning set forth in Section 2 hereof entitled "Letting".

"Subletting Consent Rental" shall have the meaning set forth in Section 4 hereof entitled "Rental".

"Subsidiary" shall mean any corporation or company in which the Lessee owns sixty percent (60%) or more of the total outstanding voting stock (other than treasury stock).

"Taking" shall have the meaning set forth in Section 53 hereof entitled "Condemnation".

"Taxiways" shall mean the portion of the Airport used for the purpose of the ground movement of aircraft to, from and between the runways, the public ramp and apron area, the aircraft parking and storage space and other portions of the Airport not including,

however, any taxiways, the exclusive use of which is granted to the Lessee or any other person by lease, permit or otherwise.

“Unamortized Capital Investment” shall mean for purposes of this Lease, the amount of the Lessee's investment in the Premises arising out of the performance by the Lessee of the construction work pursuant to and as set forth in Section 2 of this Lease with respect to the Air Cargo Facility after deduction therefrom of an amount equivalent to an allowance for depreciation and, amortization. Such allowance will be computed on a straight-line basis from the date of completion of the Cargo Facility to the end of the average useful life (as determined under sound accounting practices) or October 31, 2013, whichever is the shorter.

Section 2. Letting.

(a) Subject to and in accordance with the terms and conditions of this Agreement, the Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at the Airport the following:

(1) The land shown within the broken lined area and as described in the Data Table on Exhibit A attached hereto and hereby made a part of this Agreement, together with Hangar No. 6 and a shed and all other buildings, structures, fixtures, improvements and other property of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings, installations and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, and the equipment permanently affixed or permanently located therein, such as but not limited to electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins constructed therein, thereon or thereunder as of the Effective Date, (all of the foregoing, collectively, the **“Hangar No. 6 Premises”**).

(2) The land shown within the broken lined area and as described in the Data Table on Exhibit B attached hereto and hereby made a part of this Agreement, together with Building No. 262 and all other buildings, structures, fixtures, improvements and other property of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings, installations and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, and the equipment permanently affixed or permanently located therein, such as but not limited to electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins constructed therein, thereon or thereunder as of the Effective Date (all of the foregoing, collectively, the **“Building No. 262 Premises”**).

(b) The Hangar No. 6 Premises and Building No. 262 Premises are hereinafter collectively called the **“Premises.”**

(c) 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 on the Effective Date.

(d) The parties acknowledge that the Premises constitute non-residential real property.

(e) It is expressly recognized that Exhibit A and Exhibit B, which show the Premises do not show the shed located on the Hangar No. 6 Premises (the "Shed"), Hangar No. 6 located on the Hangar No. 6 Premises ("Hangar 6") or Building No. 262 located on the Building No. 262 Premises ("Building No. 262") nor a precise square footage description thereof. Further it is expressly recognized that:

(1) The amounts of the Hangar No. 6 Premises Rental set forth in paragraph (a) of Section 4 hereof have been computed on the basis of there being approximately (Ex. 2.a.) acres of land in the Hangar No. 6 Premises, approximately (Ex. 2.a.) square feet of warehouse space in Hangar No. 6 and approximately (Ex. 2.a.) square feet of warehouse space in the Shed and that the amounts of the Building No. 262 Premises Rentals set forth in paragraph (b) of Section 4 hereof have been computed on the basis of there being approximately (Ex. 2.a.) acres of land in the Building No. 262 Premises, approximately (Ex. 2.a.) square feet of warehouse space in Building No. 262 and approximately (Ex. 2.a.) square feet of office space in Building No. 262.

(f) (1) The parties hereby acknowledge that the Premises are identical to the premises occupied by the Lessee under the Prior Leases.

(2) The Parties hereby acknowledge and agree that the commencement of the Term of this Agreement is occurring simultaneously with the expiration of the Prior Lease and that no gap in time and no reversion with respect to the Premises occurred between expiration of the Prior Leases and the commencement of the Term of this Agreement. Further, it is hereby acknowledged that the Lessee remain in possession of the Premises hereunder continuously from prior to the expiration of the Prior Leases through the Effective Date, and at no time did the Lessee surrender any portion of the Premises to the Port Authority.

(3) The Lessee shall not, by virtue of this Agreement, be released or discharged from any liability or obligations whatsoever that have accrued under the Prior Leases, or any other Port Authority permits, or agreements, including without limitation any permits to make alterations, all of which shall survive and any breach or default under the Prior Leases or under such permits and agreements shall be deemed to have survived and shall mature upon the expiration or termination of this Agreement. Subject to the foregoing, all rights and obligations of the parties hereto shall be governed by this Agreement from and after the Effective Date.

(4) All references herein to the condition of the Premises at the beginning or commencement of the letting or at the Effective Date shall be deemed to mean the condition of the Premises as they existed at the beginning of the term of the applicable Prior

Leases (or at the time any portion of the Premises was added to the premises under a Prior Lease, (as applicable); and as to the improvements made and any alteration work performed during the term of a Prior Lease or during the Term, such reference shall be deemed to mean the condition of the Premises upon completion of such improvements or alteration work.

Section 3. Term.

(a) The term of the letting hereunder shall commence on and shall expire at 11:59 o'clock P.M. on October 31, 2013 unless sooner terminated in accordance with the terms and provisions of this Agreement.

(b) The Lessee and the Port Authority shall each have the right, upon all of the terms and conditions set forth in this paragraph (b), to irrevocably offer to extend this Lease and term of the letting hereunder for an additional five years, such additional five years to commence on November 1, 2013 and to expire on October 31, 2018 (the "**Extended Term**"), both dates inclusive, upon unconditional written notice (the "**Extended Term Offer Notice**") given by one party to the other party:

(1) The Extended Term Offer Notice shall be given during the period commencing on May 1, 2012 to and including November 1, 2012. There shall be only one Extended Term Offer Notice and that Extended Term Offer Notice shall be the Extended Term Offer Notice that is first given. The party giving the first Extended Term Offer Notice is herein called the "**Offer Party**" and the party to whom the first Extended Term Offer Notice is given is herein called the "**Receipt Party**".

(2) The Extended Term shall expire on October 31, 2018 and shall be upon all the terms and conditions of this Agreement, as the same may have been supplemented and amended, including without limitation, upon the rentals set forth in Section 4 hereof for the Extended Term.

(3) The term of the letting shall be extended by the Extended Term Offer Notice effective as of October 31, 2013 without the further execution of any further agreement or other instrument unless one or more of the following shall have occurred, in which case the term of the letting hereunder shall not be extended and shall expire on October 31, 2013 and the Lessee shall have no right to occupy the Premises after October 31, 2013:

(aa) The Receipt Party rejects the Offer Party's offer to extend this Lease and the term of the letting hereunder for the Extended Term by sending a notice to the Offer Party within thirty (30) days of receipt of the Extended Term Offer; or

(bb) On the date that the Receipt Party shall have received the Extended Term Offer Notice any of the following shall be the case: (i) the Lessee shall be in default (after the giving of any required notice and the expiration of the applicable period to cure such default, if any is provided for in the Lease) in the performance or observance of any term, provision or condition of the Lease, or (ii) the Lessee has been served with a notice of

termination of this Agreement by the Port Authority or (iii) this Agreement is not then in full force and effect; or

(cc) On October 31, 2013 any of the following shall be the case:
(i) the Lessee shall be in default (after the giving of any required notice and the expiration of the applicable period to cure such default, if any is provided for in the Lease) in the performance or observance of any term, provision or condition of the Lease, or (ii) the Lessee has been served with a notice of termination of this Agreement by the Port Authority or (iii) this Agreement is not then in full force and effect.

(4) In the event that an Extended Term Offer Notice is not received by November 1, 2011, or one or more of the events set forth in subparagraphs (3) (aa), 3 (bb) or 3(cc) hereof shall have occurred, then this Agreement shall expire on October 31, 2013 and the Lessee shall have no right to occupy the Premises after October 31, 2013.

Section 4. Rental.

(a) Hangar No. 6 Premises Rental. The Lessee shall pay to the Port Authority the following rental for the Hangar No. 6 Premises (the "**Hangar No. 6 Premises Rental**"):

(1) For the period from November 1, 2008 through October 31, 2009, both dates inclusive, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) and

(2) For the period from November 1, 2009 through October 31, 2010, both dates inclusive, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) ; and

(3) For the period from November 1, 2010 through October 31, 2011, both dates inclusive, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) and

(4) For the period from November 1, 2011 through October 31, 2012, both dates inclusive, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar

month occurring during such period, in equal monthly installments of _____; and
(Ex. 2.a.)

(5) For the period from November 1, 2012 through October 31, 2013, both dates inclusive, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of _____ (Ex. 2.a.) Dollars and No Cents per annum, payable in advance, on the first day of each calendar month occurring during such period. in equal monthly installments of _____ and

(6) Extension Term Rental: (aa) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2013 to October 31, 2014, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of _____ per annum, payable in advance, on the first day of each calendar month occurring during such period. in equal monthly installments of _____ and (Ex. 2.a.)

(bb) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2014 to October 31, 2015, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of _____ (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of _____; and (Ex. 2.a.)

(cc) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2015 to October 31, 2016, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of _____ (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of _____; and (Ex. 2.a.)

(dd) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2016 to October 31, 2017, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of _____ (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of _____; and (Ex. 2.a.)

(ee) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2017 to October 31, 2018, the Lessee shall pay to the Port Authority the Hangar No. 6 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.)

(b) Building No. 262 Premises Rental: The Lessee shall pay to the Port Authority the following rental for the Building No. 262 Premises (the "**Building No. 262 Premises Rental**"):

(1) For the period from November 1, 2008 through October 31, 2009, both dates inclusive, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) and

(2) For the period from November 1, 2009 through October 31, 2010, both dates inclusive, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) and

(3) For the period from November 1, 2010 through October 31, 2011, both dates inclusive, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) and

(4) For the period from November 1, 2011 through October 31, 2012, both dates inclusive, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) and

(5) For the period from November 1, 2012 through October 31, 2013, both dates inclusive, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.) per annum, payable in advance, on the first day of each

calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.)

(5) Extension Term Rental.

(aa) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2013 to October 31, 2014, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.)

per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex.2 a.) ; and

(bb) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2014 to October 31, 2015, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.)

per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) ; and

(cc) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2015 to October 31, 2016, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.)

per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.) ; and

(dd) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2016 to October 31, 2017, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.)

per annum, payable in advance, on the first day of each calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.)

(ee) In the event that the term of the letting is extended pursuant to paragraph (b) of Section 3 hereof, then in such event, for the period during the Extended Term from November 1, 2017 to October 31, 2018, the Lessee shall pay to the Port Authority the Building No. 262 Premises Rental at the rate of (Ex. 2.a.)

per annum, payable in advance, on the first day of each

calendar month occurring during such period, in equal monthly installments of (Ex. 2.a.)

(c) Additional Rental.

(1) "Cost of the Construction Work" shall mean the sum of the following amounts, and such amounts only (but only to the extent such amounts are included in the Construction Work Certificate and as such amounts may be adjusted pursuant to the provisions of subparagraphs (7) and (8) of this paragraph (c)) actually paid by the Lessee for the Construction Work performed by the Lessee, to the extent that the inclusion of the same is permitted by generally accepted accounting principles consistently applied:

(aa) The amounts paid by the Lessee to independent third party contractors for work actually performed and labor and materials actually furnished in connection with the Construction Work, inclusive of sales, use and like taxes where applicable, and

(bb) The amounts actually paid by the Lessee in connection with the Construction Work (without duplication and excluding any amounts included in any other item hereof) for engineering, architectural, professional and consulting services, and the supervision of construction, inclusive of sales, use and like taxes where applicable, provided, however, that such amounts pursuant to this subdivision (ii) shall not exceed ten per cent (10%) of the amounts described in subdivision (i); provided, however, (x) the Cost of the Construction Work shall be limited to work covered by the Construction Work Certificate submitted by the Lessee pursuant to and in accordance with paragraph 3 of this Section; and (y) it is specifically understood and agreed that no amounts paid for or in connection with any trade fixtures or other personal property of the Lessee or any payment or payments on account of any administrative or other overhead costs of the Lessee whether or not allocated to the Construction Work by the Lessee's own accounting practices shall be included in the Cost of the Construction Work; and (z) the Cost of the Construction Work shall not include any payment to a firm or corporation wholly or partially owned by or in common ownership with the Lessee or any Construction Work that is not performed in accordance with all of the terms and provisions of this Agreement.

(2) The Lessee shall pay to the Port Authority on October 31, 2013, a rental (the "Additional Rental") equal to the difference obtained by subtracting the Cost of the Construction Work (but only to the extent that the amounts constituting the Cost of the Construction Work are properly includable therein and for which the Construction Work Certificate (as hereinafter defined) meeting all the requirements set forth in subparagraph (4) of this paragraph (c) has been delivered to the Port Authority on or before October 31, 2013) from the amount of (Ex. 2.a.) . In the event that the Cost of the Construction Work shall equal or exceed the amount of , then in such event no Additional Rental shall be payable by the Lessee to the Port Authority.

(3) The Lessee shall deliver to the Port Authority on or before December 1, 2012 a certificate covering the Cost of the Construction Work meeting all the requirements set forth in subparagraph (4) of this paragraph (c) and which is delivered to the Port Authority on or before December 1, 2012 (hereinafter referred to as the “**Construction Work Certificate**”).

(4) The certificate to be delivered to the Port Authority pursuant to subparagraph (3) of this paragraph (c) shall be signed by a responsible executive or fiscal officer of the Lessee and sworn to before a notary public and further shall:

(aa) Set forth, in reasonable detail, the amounts paid to specified independent third party contractors and the amounts of payments made to other specified Persons for the Cost of the Construction Work performed under Section 5 hereof and certify that such amounts constitute portions of the Cost of the Construction Work;

(bb) Set forth the total cumulative amount of the payments made by the Lessee for the Cost of the Construction Work;

(cc) Have attached thereto reproduction copies or duplicate originals of the invoices of such independent third party contractors and other persons and an acknowledgment by such independent contractors and other persons of the receipt by them of such amounts and payments;

(dd) Certify that the amounts and payments therein set forth constitute all or a portion of the Construction Work; that the Construction Work covered by the Construction Work Certificate has been accomplished and that it has been performed in accordance with all the terms and provisions of this Lease; and that the work covered by the Construction Work Certificate was performed by the Lessee prior to December 1, 2012;

(ee) Certify there is no outstanding indebtedness known to the Lessee, after due and diligent inquiry, then due on account of the Construction Work which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialmen statutory or other lien or alleged lien upon the Construction Work or upon the Premises or any part thereof, or upon the Lessee's leasehold interest therein or in the Premises, provided that the foregoing shall not limit or impair the rights set forth in Section hereof entitled Termination by the Port Authority, or any rights or remedies of the Port Authority under this Lease or otherwise; and

(ff) Certify that none of the equipment or fixtures described in the certificate are secured by any liens, mortgages, security interests or other encumbrances.

(5) Nothing contained herein shall be deemed or construed as a submission by the Port Authority to the application to itself of any lien described in subparagraph (4) of this paragraph (c) to limit or impair Section hereof entitled Termination by the Port Authority or any rights or remedies of the Port Authority under this Lease or otherwise.

(6) In addition after submission of the Construction Work Certificate, the Lessee shall promptly supply to the Port Authority such additional supporting documents, agreement, contracts and records as the Port Authority requests and shall deem necessary to substantiate the matters set forth in the Construction Work Certificate.

(7) In the event that a Port Authority audit completed within three (3) calendar years after the date that the Lessee shall have delivered a complete Construction Work Certificate to the Port Authority meeting all the requirements set forth in subparagraph (4) of this paragraph (c) shall disclose that the amount of the Cost of the Construction Work is not the amount set forth in the Construction Work Certificate, then the amount of the Additional Rental shall be recalculated based upon the amount of the Cost of the Construction Work as determined by the Port Authority audit, and any Additional Rental resulting from such recalculation shall be immediately payable by the Lessee to the Port Authority upon thirty (30) days demand and any Additional Rental paid to the Port Authority by the Lessee in excess of the Additional Rental resulting from such recalculation shall be credited to the obligations of the Lessee under this Lease.

(8) If the Lessee has included in any portion of the Cost of the Construction Work any item as having been incurred, but which in the reasonable opinion of the Port Authority was not so incurred, or which in the reasonable opinion of the Port Authority if so incurred is not an item properly chargeable to such element of cost under sound accounting practice or to the Cost of the Construction Work, or does not represent an appropriate division of the costs of a particular contract and the parties have been unable to resolve their differences within ninety (90) days after Port Authority gives notice to the Lessee objecting to the same, then such dispute shall be decided by arbitration according to the existing rules of the American Arbitration Association or any successor association. Costs of such arbitration shall be borne equally by the Port Authority and the Lessee.

(9) In any such arbitration as to whether any item included by the Lessee in its computation of cost has been incurred, the question to be submitted to the arbitrators for decision shall be as follows:

“Was all or any part of such cost incurred by the Lessee; and if part but not all of such cost was incurred, what was the amount which was so incurred?”

(10) In any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under generally accepted accounting principles consistently applied, the question to be submitted to the arbitrators for decision shall be as follows:

“Can it reasonably be held that all or any part of such cost is properly chargeable under generally accepted accounting principles consistently applied; and if part but not all of such cost can reasonably be held to be so chargeable, then what amount can reasonably be held to be so chargeable?”

(11) In any such arbitration as to whether any item included by the Lessee in its computation of cost is properly chargeable thereunder under the principles of this Lease as part of the Cost of the Construction Work, including whether or not there has been a proper allocation and breakdown of costs where a contract or contracts covers different categories of work, the question to be submitted to the arbitrators for decision shall be as follows:

“Can it reasonably be held that the part of the Cost of the Construction Work has been properly determined under the principles of the Lease including whether there has been a sound allocation and breakdown of costs under a contract or contracts covering different categories of work under generally accepted accounting principles consistently applied, or if not, then what amount should be properly determined?”

(d) Proration. If the annual rentals established under this Section 4 shall be for less than a year of twelve (12) full months, each monthly installment payable during such year shall be equal to one-twelfth (1/12th) of said annual rental. If any installment of the rentals established under this Section 4 shall be for less than a full calendar month, then the rental payment for the portion of the month for which such payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

(e) Abatement:

(1) If at any time the Lessee shall become entitled to an abatement of rental by the provisions of this Agreement or otherwise, the abatement of rental shall be made on an equitable basis giving effect to the amount and character of the space, the use of which is denied the Lessee as compared with the entire premises.

(f) Holding Over. Without in any way limiting the provisions set forth in the Standard Endorsements of this Agreement entitled “Termination by the Port Authority”, “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 Letting, 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 150% of the sum of (i) the annual rate of Hangar No. 6 Premises Rental and of Building No. 262 Premises 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 rate in effect 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.

(5) Subletting Consent Rental.

(1) Without limiting the terms and conditions of Section entitled Assignment and Sublease hereof, in addition to the rentals and all other fees, charges and payments to be made by the Lessee hereunder, the Lessee shall pay to the Port Authority a percentage rental (herein called the "**Subletting Consent Rental**"), at the times set forth in and in accordance with subparagraphs (5) and (6) below, during the term of the letting hereunder equal to Ten Percent (10%) of the Lessee's "Gross Sublease Rentals" (as defined in subparagraph (2) below) arising during the term of the letting hereunder.

(2) As used herein, the term "**Gross Sublease Rentals**" shall include all revenues, amounts, monies, income, and receipts of every kind paid or payable to the Lessee by each and every user or occupant other than the Lessee of the Premises arising out of or pursuant to the terms of the sublease or the subletting of each such sublessee, or out of the operations of each such sublessee at the premises without any deductions therefrom, provided, however, there shall be excluded from Gross Sublease Rentals any sum paid or payable by a sublessee to the Lessee for the following, provided said sum is separately stated to and paid by the sublessee:

- (aa) security services;
- (bb) snow removal services;
- (cc) mechanical maintenance services; and
- (dd) building janitorial services,

provided, further, however, the Lessee acknowledges and agrees that the Port Authority does and shall continue to have the right at any time and from time to time to withdraw the foregoing exclusions from Gross Sublease Rentals, in whole or in part, or to establish a separate fee for each such service, which may be a percentage rental other than ten percent (10%), upon sixty (60) days' prior written notice to the Sublessee and the Lessee.

(3) Without limiting any of the foregoing or any other term or provision of this Agreement, including without limitation the terms and provisions of Section entitled Termination by the Port Authority hereof, it is hereby understood and agreed that the Lessee shall pay to the Port Authority the Subletting Consent Rental with respect to each and every occupant or user except for the Lessor of the Premises, notwithstanding the failure of the parties, or any of them, to execute a written consent agreement covering the Port Authority's prior written consent to such sublessee as required under and pursuant to Section entitled Assignment and Sublease hereof.

(4) It is expressly understood and agreed that neither this paragraph (g) nor anything contained herein nor any payment(s) made or required to be made hereunder shall or shall be deemed to grant any right or rights to the Lessee to permit other than the Lessee to use or occupy the Premises or any portion thereof nor to impose or create any obligation on the Port Authority nor to alter, expand or waive the terms and provisions of Section entitled Assignment and Sublease hereof nor to waive the requirements for the prior written consent of the Port Authority and the execution of a consent agreement as called for under the Section entitled Assignment and Sublease nor to constitute any such consent nor to release or relieve the Lessee from any of the obligations and liabilities under this Agreement with respect to any such sublessee.

(5) If the Port Authority and the Lessee shall have entered into a written consent agreement covering a sublease of the Premises or a portion thereof, the Lessee shall pay the Subletting Consent Rental arising out of such sublease in the manner and at the time provided for in the terms and conditions of said consent agreement and if the Port Authority and the Lessee have not entered into a written consent agreement covering any subleasing of the premises or a portion thereof (or if the consent agreement for any reason does not set forth the time and manner of such payments) then the Lessee shall pay the Subletting Consent Rental as follows:

On the 20th day of the first month following the Effective Date and on the 20th day of each and every month thereafter during the term of the letting hereunder and within twenty (20) days after the expiration or sooner termination of the term of the letting hereunder, the Lessee shall submit to the Port Authority a statement sworn to by a responsible executive or fiscal officer of the Lessee showing all of its Gross Sublease Rentals for the preceding month. Each of the said statements shall also show the Lessee's cumulative Gross Sublease Rentals from the Effective Date (or the most recent anniversary thereof) through the last day of the preceding month. At the same time it renders each of the said statements, the Lessee shall pay to the Port Authority the Subletting Consent Rental due with respect thereto. In addition to the foregoing, on the 20th day of the first month following each anniversary of the Effective Date the Lessee shall submit to the Port Authority a sworn statement certified by a responsible fiscal or executive officer of the Lessee setting forth the cumulative totals of said Gross Sublease Rentals for the entire preceding twelve-month period.

(6) 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 Subletting Consent Rental as follows:

First, without limiting the above, the Lessee shall within twenty (20) days after the effective date of termination, render to the Port Authority a sworn statement of all Gross Sublease Rentals during the period from the last preceding anniversary of the Effective Date up to the date of termination.

Second, the Lessee shall at the same time pay to the Port Authority the payment then due on account of all Subletting Consent Rental during the period from the last preceding anniversary of the Effective Date up to the date of termination.

(7) Nothing hereinabove provided shall affect the survival of obligations of the Lessee as set forth in Section 9 of this Agreement.

(h) Handling Percentage Rental

(1) In addition to the rentals set forth above and in addition to all other fees, charges and payments to be made by the Lessee hereunder, the Lessee shall pay to the Port Authority a percentage rental (hereinafter called the "**Handling Percentage Rental**"), at the times set forth in and in accordance with subparagraph (3) below, equal to (Ex. 2.a.) the Lessee's Gross Receipts (as defined in paragraph (2) below) arising during the term of the letting hereunder.

(2) The term "**Gross Receipts**" as used in this Agreement shall include all monies, revenues, receipts and income of every kind paid or payable to the Lessee for and in connection with, and if and to the extent full fair market value is not charged or payable, then to the extent of the fair market value of Air Cargo Services (as defined in Section 6 hereof) of which its operations on or at the Airport under this Agreement constitute a part, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and shall also include any other revenues of any type arising out of or in connection with the Air Cargo Services activities of the Lessee at the Airport; and without limiting the generality of any of the foregoing, said Gross Receipts shall also include all such monies, revenues, receipts and income paid or payable to the Lessee with respect to Air Cargo Services (i) by any Aircraft Operator or any other entity under any marketing agreement or arrangement with the Lessee including without limitation, interline agreements or arrangements, (ii) by any entity for or in connection with any material handling system(s) at the Premises; provided, however, that there shall be excluded from Gross Receipts of the Lessee the following: (x) any taxes imposed by law which are separately stated to and paid by customers of the Lessee and directly remitted by the Lessee to the taxing authority, and (y) Gross Sublease Rentals paid or payable to the Lessee for which the Lessee is obligated to pay to the Port Authority the Subletting Consent Rental pursuant to Section 4 hereof.

(3) The Lessee shall pay the Handling Percentage Rental as follows:

On the 20th day of the first month following the Effective Date and on the 20th day of each and every month thereafter during the term of the letting hereunder and within twenty (20) days after the expiration or sooner termination of the term of the letting hereunder, the Lessee shall submit to the Port Authority a statement sworn to by a responsible executive or fiscal officer of the Lessee showing all of its Gross Receipts for the preceding month. Each of the said statements shall also show the Lessee's cumulative Gross Receipts from the Effective Date (or the most recent anniversary thereof) through the last day of the preceding month. At the same time it renders each of the said statements, the Lessee shall pay to the Port Authority the Handling Percentage Rental due with respect thereto. In addition to the foregoing, on the 20th day of the first month following each anniversary of the Effective Date the Lessee shall submit to the Port Authority a sworn statement certified by a responsible executive or fiscal

officer of the Lessee setting forth the cumulative totals of said Gross Receipts for the entire preceding twelve-month period.

(4) 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 Handling Percentage Rental as follows:

First, without limiting the above, the Lessee shall within twenty (20) days after the effective date of termination, render to the Port Authority a sworn statement of all Gross Receipts during the period from the last preceding anniversary of the Effective Date up to the date of termination;

Second, the Lessee shall at the same time pay to the Port Authority the payment then due on account of all Handling Percentage Rental during the period from the last preceding anniversary of the Effective Date up to the date of termination.

(5) Nothing hereinabove provided shall affect the survival of obligations of the Lessee as set forth in Section 9 of this Agreement.

Section 5. Construction Work by the Lessee.

(a) The Lessee hereby agrees to perform at its sole cost and expense certain improvements to the Premises including but not limited to: (i) repair and recoating of entire roof of Hangar No. 6; repitch low hay (flat roof) area of Hangar No. 6 to the drainage system and install an aluminum cap to perimeter wall of lower roof of Hangar No. 6 and replace drains, (ii) replace access ladders with safety cage roof ladders for both Hangar 6 and Building No. 262; (iii) replace existing asphalt paving in the containerized trailer vehicle parking lot for Hangar No. 6; (iv) replace existing lighting system for both Hangar 6 and Building No. 262 with energy efficient system; (v) replace and repair aluminum siding of Building No. 262 where deterioration has occurred; (vi) inspect, repair and replace pointing of brick for both Hangar 6 and Building No. 262; (vii) repair underside of Building No. 262's awning; (viii) replace powered ramp side rollup doors and upgrade drives of Building No. 262; (viii) replace flood lights and fixtures on the north side of Hangar No. 6 with energy efficient lights; (ix) remove wooden door located in the aircraft maintenance area with a sealed-off block wall of Building No. 262; (x) install canopies on the ramp side of the Hangar 6 and Building No. 262; (xi) install decks and lifts for door areas for the warehouse located in Hangar 6 (specifically doors 25, 127, 140 and 142) and in Building No. 262 (specifically doors 3, 4, 5, and 6); (xii) rehabilitate and rebuild the taxiway as shown in the cross hatching on the attached Exhibit C adjacent to Hangar No. 6 and No. 7 and in accordance with the Port Authority development plans all of the foregoing, as the same may be approved by the Port Authority together with any other rehabilitation work that is performed at the Premises as the same is approved by the Port Authority is herein collectively called the "Construction Work."

(1) The Lessee shall not modify or expand any of the improvements identified in subparagraph (a) of this Section without the prior written consent of the Port Authority. In the event the Lessee finds that it may become necessary to alter, modify or expand the defined scope of the construction work set forth in subparagraph (a) of this Section,

the Lessee shall submit for Port Authority approval a written request identifying any proposed alteration, modification or expansion of the construction work. The Port Authority shall not unreasonably withhold its consent to any proposed alteration, modification or expansion of the proposed construction work; provided, however such proposed construction shall nevertheless be undertaken and completed in strict accordance with the terms and conditions of this Section.

(2) Notwithstanding the foregoing, it is hereby agreed and understood that the Lessee shall have no obligation to perform item (xii) above until the Port Authority notifies the Lessee of its plans to rehabilitate and develop Hangars No. 6, and No. 7 and completion of item (xii) shall not be a condition to the extension of the Lease.

(b) Prior to the commencement of any portion of the Construction Work, the Lessee shall submit to the Port Authority for the Port Authority's approval a Construction Application or applications in the form supplied by the Port Authority setting forth the work the Lessee desires to perform (each Construction Application as submitted by the Lessee but not approved by the Port Authority is hereinafter called a "**Pending Construction Application**"). The Pending Construction Applications shall set forth in detail the complete plans and specifications the work the Lessee desires to perform and the manner and time periods for performing the same and all other supporting information that the Port Authority shall require (each of the foregoing Construction Applications as approved by the Port Authority is hereinafter called a "**Construction Application**").

(1) The Lessee shall be responsible at its sole cost and expense for retaining all architectural, engineering and other consultants and services as may be directed by the Port Authority and for developing, completing and submitting the plans and specifications for the proposed 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 licensed to practice in the State of New York and shall be in sufficient detail for a contractor to perform the work. The Lessee shall redo and resubmit each Pending Construction Application until approved by the Port Authority. The Lessee shall not commence performance of any work until the Pending Construction Application therefor is approved by the Port Authority. Upon approval of a Pending Construction Application by the Port Authority, the Lessee shall proceed diligently at its sole cost and expense to perform the Construction Work covered by the Construction Application.

(2) Without limiting the generality of the foregoing, the Construction Work as set forth in the Lessee's plans and specifications (all of which shall be in such detail as may reasonably permit the Port Authority to make a determination as to whether the requirements hereinafter referred to are met) shall:

(aa) Not be unsafe, unsound, hazardous or improper for the use and occupancy for which it is designed, or

(bb) comply with the Port Authority's requirements for harmony of external architecture of similar existing or future improvements at the Airport, or

(cc) comply with the Port Authority's requirements with respect to external and interior building materials and finishes of similar existing or future improvements at the Airport, or

(dd) provide for sufficient clearances for taxiways, runways and apron areas, or be designed for use for purposes other than those authorized under this Agreement, and set forth ground elevations or heights other than those prescribed by the Port Authority, or

(ee) Not be designed for use for purposes other than those authorized under the Agreement, or

(ff) Not set forth ground elevations or heights other than those prescribed by the Port Authority, or

(gg) Provide adequate and proper roadways and pedestrian circulation areas, or

(hh) comply with the building height limitations in connection with sight line requirements between the existing control tower and the Public Aircraft Facilities at the Airport, or

(ii) be at locations or not be oriented in accordance with the Comprehensive Plan, or

(jj) comply with the provisions of the Basic Lease, including without limiting the generality thereof, the provisions of Section 18 of the Basic Lease providing that the Port Authority will 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, or

(kk) Not permit aircraft to overhang the boundary of the Premises, except when entering or leaving the Premises, or

(ll) Not, be in violation or contravention of any other provisions and terms of the Lease, or

(mm) comply with all applicable governmental laws, ordinances, enactments, resolutions, regulations, rules and orders, or

(nn) comply with all applicable requirements of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New York, or

(oo) comply with the Port Authority's requirements with respect to landscaping, or

(pp) comply with the Port Authority's requirements and standards with respect to noise, air pollution, water pollution or other types of pollution, or

(qq) Not comply with the construction limitations set forth in any of the Exhibits, or

(rr) Without limiting any other term or provision hereof, comply with the Americans With Disabilities Act of 1990 and all federal rules, regulations and guidelines pertaining thereto, or

(ss) comply with the Port Authority's standard design details.

(c) Performance of the Construction Work.

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

(1) (aa) The Lessee hereby assumes the risk of loss or damage to all of the Construction Work prior to the completion thereof and the risk of loss or damage to all property of the Port Authority and others and the risk of personal injury and death to all persons arising out of or in connection with the performance of the Construction Work including without limitation for all Environmental Requirements and Environmental Damages. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the Construction Work and the property of the Port Authority without cost or expense to the Port Authority. The Lessee shall itself and shall also require its contractors to indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising or alleged to arise out of the performance of the Construction Work and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, all the foregoing to include without limitation all claims and demands arising out of or in connection with any Hazardous Substance, and whether they arise from the acts or omissions of the Lessee, of any contractors of the Lessee, of the Port Authority, or of third persons, or from acts of God or of the public enemy, or otherwise (including claims of the City of New York against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City of New York against claims), excepting only claims and demands which result solely from affirmative willful acts done by the Port Authority, its Commissioners, officers, agents and employees with respect to the Construction Work, provided, however, that the Lessee shall not be required to indemnify the Port Authority where indemnity would be precluded pursuant to the provisions of Section 5-322.1 of the General Obligations Law of the State of New York.

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

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

(2) (aa) Prior to engaging or retaining an architect or architects for the Construction Work, the name or names of said architect or architects shall be submitted to the Port Authority for its approval. The Port Authority shall have the right to disapprove any architect who may be unacceptable to it. All the Construction Work shall be done in accordance with the Construction Application covering the work and the final plans and specifications approved by the Port Authority. All the Construction Work, including workmanship and materials, shall be of first class quality. The Lessee shall redo, replace or construct at its own cost and expense, any Construction Work not done in accordance with the approved plans and specifications, the terms, provisions and conditions of this Lease or any further requirements of the Port Authority.

(bb) The Lessee agrees to expend not less than (Ex. 2.a.)
on the Cost of the Construction Work, as defined in
Section 4, and shall complete the Construction Work by no later than October 31, 2013.

(3) Prior to entering into a contract for any part of the Construction Work, the Lessee shall submit to the Port Authority for its approval the names of the contractors to whom the Lessee proposes to award said contracts. The Lessee shall include in all such contracts such provisions and conditions as may be reasonably required by the Port Authority. Without limiting the generality of the foregoing all of the Lessee's construction contracts shall provide as follows: "If (i) the Contractor fails to perform any of his obligations under the Contract, including his obligation to the Lessee to pay any claims lawfully made against him by any materialman, subcontractor or workman or other third person which arises out of or in connection with the performance of the Contract or (ii) any claim (just or unjust) which arises out of or in connection with the Contract is made against the Lessee or (iii) any subcontractor under the Contract fails to pay any claims lawfully made against him by any materialman, subcontractor, workman or other third persons which arise out of or in connection with the Contract or if in the Lessee's opinion any of the aforesaid contingencies is likely to arise, then the Lessee shall have the right, in its discretion, to withhold out of any payment (final or otherwise and even though such payments have already been certified as due) such sums as the Lessee may deem amply to protect it against delay or loss or to assume the payment of just claims of third persons, and to apply such sums in such manner as the Lessee may deem proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by the Lessee to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the Lessee does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Lessee to withhold and apply monies nor any exercise, or attempted exercise of, or omission to exercise such rights by the Lessee shall create any obligation of any kind to such materialmen,

subcontractors, workmen or other third persons. Until actual payment is made to the Contractor, his right to any amount to be paid under the Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the Lessee under this provision.”

(aa) The Lessee shall file with the Port Authority a copy of its contracts with its contractors prior to the start of the Construction Work.

(4) If applicable the Lessee shall require certification by a licensed engineer of all pile driving data and of all controlled concrete work and such other certifications as may be requested by the Port Authority from time to time. The Lessee shall submit all certifications and logs to the Port Authority’s Resident Engineer.

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

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

(7) The Lessee agrees that it shall deliver to the Port Authority two (2) sets of “as built” drawings of the Construction Work on an electronic CADD data file on a CD Rom in a format to be designated by the Port Authority, all of which shall conform to the specifications of the Port Authority (the receipt of a copy of said specifications prior to the Effective Date being hereby acknowledged by the Lessee), and all engineering reports, engineering analysis, boring logs, survey information and engineering design calculations and operation and maintenance manuals in a comprehensive, coordinated package. The Lessee shall, during the term of the Lease, keep said digital electronic files of drawings and said electronic CADD data files current showing thereon any changes or modifications, which may be made. (No changes or modifications shall be made without prior Port Authority consent.)

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

(9) (aa) Without limiting the generality of any other term or condition of this Lease, title to any soil, dirt, sand, asbestos or other material on the Premises or the Airport removed or excavated by the Lessee during the course of the Construction Work (all the foregoing being hereinafter called the "*Removed Material*") and not used at the Premises shall vest in the Lessee upon the removal or excavation thereof and all such Removed Material shall be delivered and deposited by the Lessee at the Lessee's sole cost and expense to a location off the Airport in accordance with the terms and conditions of this Lease, including without limitation this Section 5 and all applicable Environmental Requirements (including, if required, disposal of asbestos in a long-term disposal facility at the Lessee's sole cost and expense) and all in a manner satisfactory to the Port Authority. The entire proceeds, if any, of the sale or other disposition of the Removed Material shall belong to the Lessee.

(bb) Promptly upon final disposition of any Hazardous Substance from the Premises or the Airport in the performance of the Construction Work, the Lessee shall submit to the Port Authority a "Certification of Final Disposal" stating the type and amount of material disposed, the method of disposal and the owner and location of the disposal facility. The format of such certification shall follow the requirements, if any, of governmental agencies having jurisdiction as if the Port Authority were a private organization and the name of the Port Authority shall not appear on any certificate or other document as a generator or owner of such material.

(cc) In the event any Hazardous Substance is discovered in the performance of the Construction Work, the Lessee in reporting such Hazardous Substance shall direct such report to the attention of such individual at the subject governmental authority as the General Manager of the Airport shall require in order to assure consistency in the environmental management of the Airport.

(10) In connection with the performance of the Construction Work the Lessee shall be responsible for identifying the location of all utilities and shall prior to the commencement of any of the Construction Work coordinate the Construction Work with the New York City and Long Island One Call toll free information service (1-800-272-4480) and ascertain the location of underground utilities, if any, at the Premises and off the Premises in the vicinity where any of the Construction Work is to be performed. The Lessee shall provide the Port Authority with the written evidence of such coordination.

(11) In the performance of the Construction Work the Lessee shall not employ any contractor nor shall the Lessee or any of its contractors employ any Persons or use or have any equipment or materials or allow any condition to exist if any such shall or, in the opinion of the Port Authority, may cause or be conducive to any labor troubles at the Airport which interfere, or in the opinion of the Port Authority are likely to interfere with the operations

of others at the Airport or with the progress of other construction work thereat. The determinations of the Port Authority shall be conclusive to the Lessee. Upon notice from the Port Authority, the Lessee shall immediately remove such contractor or withdraw or cause its contractors to withdraw from the Airport, the Persons, equipment or materials specified in the notice and replace them with unobjectionable contractors, Persons, equipment and materials and the Lessee shall or shall cause its contractor to immediately rectify any condition specified in the notice. In the event of failure by the Lessee or any of its contractors to immediately comply with the requirements of this subparagraph (whether or not such failure is due to the Lessee's fault), the Port Authority shall have the right to suspend the Lessee's right to perform the Construction Work without prior notice; when the labor troubles shall be so settled that such interferences or the danger thereof no longer exists, the Port Authority, by notice to the Lessee, shall reinstate said right on all the same terms and conditions as before the suspension. "**Labor Troubles**" shall mean and include strikes, boycotts, picketing, work-stoppages, slowdowns, complaints, disputes, controversies or any other type of labor trouble, regardless of the employer of the Person involved or their employment status, if any.

(12) The Lessee shall pay to the Port Authority all fees and charges incurred by the Port Authority in connection with the Port Authority's review and approval of the plans and specifications submitted by the Lessee pursuant to this Section.

(13) The Lessee shall prior to the commencement of construction of the Construction Work and at all times during such construction submit to the Port Authority all engineering studies and environmental test results with respect to the Construction Work and samples of construction materials as may be required at any time and from time to time by the Port Authority.

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

(15) The Lessee shall comply with all the terms and provisions of each approved Construction Application. In the event of any inconsistency between the terms of any Construction Application and the terms of this Lease, the terms of this Lease shall prevail and control. No approval nor anything contained in any approval granted by the Port Authority in connection with the Construction Work shall constitute a determination or indication by the Port Authority that the Lessee has complied with the applicable governmental laws, ordinances, enactments, resolutions, rules and orders, including but not limited those of the City of New York, which may pertain to the work to be performed.

(16) Nothing contained in this Lease shall grant or be deemed to grant any contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the Construction Work any right of action

or claim against the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the Construction Work. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and any such contractor, architect, supplier, subcontractor or any other person engaged by the Lessee or any of its contractors in the performance of any part of the Construction Work and the Port Authority shall not be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the Construction Work.

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

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

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

(ii) At the request of either the Port Authority or the Lessee, the contractor shall request such employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or

understanding and which is involved in the performance of the contract with the Lessee to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will cooperate in the implementation of the contractor's obligations hereunder;

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

(iv) The contractor will include the provisions of subparagraphs (17)(bb) (i) through (17)(bb)(iii) of this paragraph (c) in every subcontract or purchase order in such a manner that such provisions will be binding upon each subcontractor or vendor as to its work in connection with the contract;

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

(vi) The Lessee in the performance of the Construction Work shall commit itself to and use good faith efforts to implement an extensive program to utilize Local Business Enterprises in accordance with and as set forth in Schedule F.

(18) The Lessee shall not commence the Construction Work unless and until the Construction Applications and plans and specifications for the Construction Work have been approved by the Port Authority and the Lessee has met with the General Manager of the Airport and has given him at least 72 hours advance notice of its intention to perform such Construction Work. Scheduling of the Construction Work shall be coordinated with the General Manager of the Airport or his duly authorized representative. In addition, the Lessee in its performance of the Construction Work shall coordinate the Construction Work with any work being performed or to be performed by the Port Authority or its contractors, and the Lessee shall require that its contractors involved in the performance of the Construction Work cooperate with the Port Authority and the contractors of the Port Authority engaged in the performance of any such work.

(d) Additional Environmental Requirements.

(1) The Construction Work shall be constructed in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Premises by the Lessee and from the operations of the Lessee under this Agreement. Accordingly, and in addition to all other obligations imposed on the Lessee under this Agreement and without diminishing, limiting, modifying or affecting any of the same, the Lessee shall be obligated to construct as part of the Construction Work hereunder such structures, fences, equipment, devices and other facilities as may be necessary or appropriate to

accomplish the foregoing and each of the foregoing shall be and become a part of the Construction Work hereunder.

(2) Notwithstanding the provisions of subparagraph (1) above and in addition thereto, the Port Authority hereby reserves the right from time to time and at any time during the term of the Lease to require the Lessee, subsequent to the completion of the Construction Work to design and construct at its sole cost and expense such further reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of subparagraph (1) hereof. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. All other provisions of this Section with respect to the Construction Work shall apply and pertain with like effect to any work which the Lessee is obligated to perform pursuant to this paragraph (c) and upon completion of each portion of such work, if the same is performed on the Premises, it shall be and become a part of the Premises.

(e) Title to Construction Work.

Title to all the Construction Work shall pass to the City of New York as the same or any part thereof is erected, constructed or installed and the same shall be and become a part of the Premises hereunder if located on the Premises. The foregoing provisions of this paragraph (e) shall not affect the risks and obligations assumed by the Lessee hereunder nor release the Lessee from the performance of its rebuilding and restoration obligations set forth in this Section 5.

(f) Completion of the Construction Work.

When the Construction Work for each Construction Application is completed and ready for use the Lessee shall deliver to the Port Authority a certificate signed by an authorized officer of the Lessee and also signed by the Lessee's architect or engineer licensed to practice in the State of New York certifying that such Construction Work has been constructed in accordance with the approved Construction Application and plans and specifications and the provisions of the Lease and in compliance with all applicable laws, ordinances and governmental rules, regulations, directives and orders. Thereafter the Construction Work will be inspected by the Port Authority and if the same has been completed as certified by the Lessee and the Lessee's licensed architect or engineer, as aforesaid, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the Lessee. The Lessee shall not use or permit the use of the Construction Work for the purposes set forth in the Lease until such certificate is received from the Port Authority, and the Lessee shall not use or permit the use of the Construction Work or any portion thereof even if such certificate is received if the Port Authority states in any such certificate that the same cannot be used until other specified portions are completed.

Section 6. Use of Premises.

(a) Permitted Use. The Lessee, in connection with its business of transportation of its air cargo, including mail, on aircraft operated by Lessee (the "**Lessee's Air Cargo Transportation Business**") shall, in accordance with all of the terms, provisions, and conditions of this Agreement, use the Premises for the following purposes only and for no other purpose whatsoever:

(1) For the reception, temporary storage and distribution and appropriate federal inspection services by federal agencies (if the United States Government makes the same available to the Lessee) of air cargo transported or to be transported on aircraft operated by the Lessee and for purposes reasonably incidental thereto and for business offices in connection therewith. The occasional transportation of such air cargo on aircraft of other aircraft operators shall not be deemed a violation of the foregoing provisions, provided, however, that the Lessee shall not make continuing use of the Premises for the reception, storage or distribution of air cargo transported or to be transported on aircraft of such other aircraft operators;

(2) For the reception and storage of repair parts, supplies and other personal property owned by the Lessee and for the performance of minor repairs to personal property of the Lessee;

(3) For the loading and unloading of air cargo on and from automobiles and trucks and on and from aircraft;

(4) For the parking and storage of aircraft and ramp equipment;

(5) For the performance of transit or turn-around aircraft maintenance only which is incidental to the Lessee's air cargo operations;

(6) For the fueling and servicing of aircraft and ramp equipment operated by the Lessee and used by it in connection with its operations;

(7) For the parking of automobiles and trucks operated by officers, employees and business guests of the Lessee;

(8) For the training of personnel employed or to be employed by the Lessee;

(9) For the providing of recreation and rest lounges for the Lessee's employees, engaged in operations at the Premises;

(10) For the loading and unloading of passengers and their baggage, and property and mail in temporary emergencies and at such other times or under such other circumstances, if any, as may be authorized by the General Manager of the Airport;

(11) For purposes directly related to the Lessee's Air Cargo Transportation Business, provided the Lessee has suitable facilities therefor;

(12) For any other purpose or activity which the Port Authority may, from time to time, expressly authorize in advance in writing;

(13) For the use of ("Deicing") materials defined as "propylene glycol and potassium acetate" in accordance with best management practice plans, management bulletins issued by the Port Authority, and any and all, present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the use of deicing materials and operations at the Airport.

(b) Contingent Use. The Lessee may use the Premises to provide Air Cargo Services (as defined below) to Customers of the Lessee (as defined in paragraph (2) below), subject to the additional, separate prior written consent of the Port Authority in each instance as to each such Customer of the Lessee.

(1) The term "Air Cargo Services" as used in this Agreement shall mean and consist of the Air Cargo Ramp Service (as defined below) and the Air Cargo Handling Service (as defined below) as the same are provided or are to be provided by the Lessee to Aircraft Operators at the Premises hereunder other than to the Lessee itself as follows:

(aa) The "Air Cargo Ramp Service" shall consist of providing all or any of the following at the Premises to cargo aircraft engaged in the carriage of air cargo transported to or to be transported from the Airport by aircraft:

(i) Guiding aircraft in and out of gate or loading or unloading positions;

(ii) Furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew members and other persons, baggage shipped as air cargo, ballast, potable water, mail, air express, air cargo and supplies to and from cargo aircraft;

(iii) Performing conversion operations and services consisting of the removal of seats from convertible-type aircraft, so as to convert the same to cargo airplanes and from cargo airplanes to passenger carrying airplanes by the installation of seats;

(iv) Towing cargo aircraft to and from the Premises below by means of such connecting taxiways as the Port Authority may from time to time make available for such use by the Lessee and others;

(v) The complete cleaning of cargo aircraft, including the removal and disposal of waste material;

(vi) The rental or other provision, on the Lessee's own account, of ground service and ramp equipment to operators of cargo aircraft at the Airport, and the provision on its own account of a maintenance service for ground service and ramp equipment owned or operated by operators of cargo aircraft at the Premises;

(vii) The performance of ramp area cleaning services in conjunction with Lessee's performance of the other permitted Air Cargo Services activities hereunder;

(viii) Providing a fire guard equipped with the necessary and appropriate firefighting equipment;

(ix) Routine turn-around servicing of aircraft; it being specifically understood, however, that maintenance of aircraft, as distinguished from routine turn-around servicing, is hereby prohibited.

(bb) The "Air Cargo Handling Service" shall consist of providing any or all of the following at the Premises to cargo aircraft or in connection with cargo aircraft operations:

(i) Loading and unloading of baggage shipped as air cargo, ballast, potable water, mail, air express, air cargo and supplies;

(ii) Loading and unloading air cargo onto and off of trucks;

(iii) Pickup and delivery of air cargo, baggage shipped as air cargo, air express and mail to and from the Premises;

(iv) The preparation of documentation associated with air cargo, including but not limited to, cargo manifests and airway bills;

(v) The distribution of air cargo;

(vi) The reception of air cargo to be shipped from the Airport;

and

(vii) Temporary warehousing, sorting and storage of air cargo.

(2) "Customers of the Lessee" shall mean an Aircraft Operator for whom the Lessee performs the Air Cargo Services in the Premises hereunder, subject, as aforesaid, to the additional, separate prior written consent of the Port Authority in each instance.

(3) (aa) Neither the Lease, nor anything contained herein, including without limitation this Section 6, shall or shall be deemed to grant to the Lessee any right, privilege or permission to perform any sale, service or any other activity at the Premises other

than as is expressly provided herein and upon the terms and conditions hereof, including without limitation the obligations to make the payments called for in this Agreement.

(i) The Lessee, to the extent it is hereby authorized to use the Premises for its own operations (as above set forth) or itself to provide Air Cargo Services to others at the Premises pursuant to the provisions of this Section 6, shall perform such operations and services hereunder solely at the Premises and no right or privilege is granted hereunder with respect to any other area or areas of the Airport.

(ii) It is expressly understood and agreed that neither Section 4 of this Lease nor this Section 6 nor anything contained herein nor any other term or provision of this Lease nor any payments made hereunder shall or shall be deemed to constitute or grant to any entity, other than the Lessee, the right or permission or approval or consent of the Port Authority to perform any activity or service at the Airport or the Premises nor to release or relieve any such entity from the requirement of obtaining such right, permission, approval or consent from the Port Authority under separate document (whether in the form of a permit or otherwise).

(c) Safe Use.

(1) 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.

(2) The Lessee hereby represents to the Port Authority that the Premises can and will be used for the purposes set forth in this Agreement safely and without hazard to persons or to property. The foregoing representation and the following provisions are a special inducement to and consideration for the Port Authority in entering into this Agreement with the Lessee. The Lessee shall be solely responsible for the safety and care of all those involved in the operation, use, occupancy, construction and installation of the Premises.

Section 7. Various Obligations of the Lessee.

(a) Conduct of Operations. 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 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 that is on the Premises, or is a part thereof, or is located elsewhere on or off the Airport. 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.

(b) Lessee's Employees. 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.

(c) *Vehicular Traffic.* The Lessee shall control all vehicular traffic on the roadways or other areas within the Premises or serving the same the use of which is granted to the Lessee hereunder, and shall take all precautions reasonably necessary to promote the safety of its passengers and all other persons. 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.

(d) *Waste Disposal.* 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 at the Airport. 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 thrown, discharged or deposited into or upon the waters at or bounding the Airport.

(e) *Fire Extinguishing Equipment.* 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 and the Lessee shall at all times maintain on the Premises adequate stocks of fresh, usable chemicals for use in such systems, equipment 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) *Minimization of Pollution.* 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 and maintain the Premises and shall use 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. The manner, type and method of construction and the size and location of any of the foregoing shall be determined by the Port Authority. The Lessee shall submit for Port Authority approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. The obligations assumed by the Lessee under this paragraph shall not be relieved or diminished by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work, or that the Port Authority's recommendations or requirements have been incorporated therein. The Lessee's agreement to assume the obligations under this paragraph is a special inducement and consideration to the Port Authority in entering into this Agreement with the Lessee.

(g) *Guard Services.* The Lessee shall furnish guard service at locations approved by the Port Authority or such comparable means as approved by the Port Authority on the premises for the prevention of access to aircraft taxiways, runways, public ramp and apron areas and aircraft parking and storage areas by all persons and vehicles not authorized by the Port Authority to enter upon said areas. Such prevention shall be accomplished on a twenty-four hour, seven-day week basis.

(h) *Oil Separators.* The Lessee shall periodically inspect, clean out and maintain the oil separators located on the Premises, and the oil separators located outside the Premises if they exclusively serve the Premises.

(i) *Signs.* Except with the prior written approval of the Port Authority, the Lessee shall not erect, maintain or display any signs or 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 and exterior signs affecting public safety and security shall be in accordance with established Port Authority standards. 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.

(j) *Obstruction Lights.* The Lessee shall install, maintain and operate at its own expense such obstruction lights on the Premises as the Federal Aviation Administration may direct or as the General Manager of the Airport may reasonably direct, and shall energize such lights daily for a period commencing thirty (30) minutes before sunset and ending thirty (30)

minutes after sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such other period as may be directed or requested by the control tower of the Airport.

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

(l) *Minimization of JetBlast.* In its use of the Premises, the Lessee shall use its best efforts to minimize jet or prop blast interference to aircraft operating on or to buildings and structures now located on or which in the future may be located on areas adjacent to the Premises. In the event the Port Authority determines at any time and from time to time that the Lessee has not so minimized the jet or prop blast interference, it may serve a notice on the Lessee to such effect and if the condition is not corrected to the satisfaction of the Port Authority within thirty (30) days after the service of said notice, the Lessee hereby covenants and agrees to erect and maintain at its own expense such structure or structures as may be necessary to minimize the said jet or prop blast interference, subject, however, to the prior written approval of the Port Authority as to the type, manner and method of construction. The obligations assumed by the Lessee under this paragraph shall not diminish, limit, modify or affect all other obligations of the Lessee with respect to interference under this Agreement.

(m) *Documentation of Compliance with Environmental Requirements.* Without limiting any other of the Lessee's obligations under the Lease, the Lessee shall provide the General Manager of the Airport at the cost and expense of the Lessee with such information, documentation, records, correspondence, notices, reports, tests, results, and certifications and any other information as the Port Authority shall request in connection with any Environmental Requirements or Environmental Damages, and the Lessee shall promptly acknowledge, swear to, sign or otherwise fully execute the same. In the event any such information has been prepared by third parties on behalf of the Lessee, the Lessee shall certify that such written materials that the Lessee provides to the Port Authority are a true and correct copy of the materials received by the Lessee from such third parties. The Lessee agrees that any of the foregoing may be filed by the Port Authority with the appropriate governmental authority on behalf of the Lessee at the Lessee's cost and expense. Further, the Lessee agrees unless directed otherwise by the Port Authority, to provide the General Manager of the Airport with copies of all information, documentation, records, correspondence, notice, certifications, reports, test results and all other submissions provided by the Lessee to a governmental authority and by a governmental authority to the Lessee within two (2) business days that the same are made available to or received by the Lessee with respect to any Environmental Requirements.

(n) *Hazardous Substances.* In addition to and without limiting the generality of the obligations of the Lessee set forth above and elsewhere in the Lease, the Lessee shall at its

sole cost and expense and in accordance with and subject to the provisions of Section 49, entitled Other Construction by Lessee hereof, upon notice from the Port Authority, promptly take all actions to completely remove and remediate all Hazardous Substances on the premises or the Airport which result from the Lessee's use and occupancy of the Premises or which have been disposed of, released, discharged or otherwise placed on, under or about the premises during the term of the letting hereunder, and to cleanup and remediate all other Hazardous Substances on, about or under the Premises or which have migrated from the Premises to any adjoining property, which any federal, state or local governmental agency or political subdivision or any Environmental Requirement or any violation thereof require to be remediated, and to cleanup and remediate all Hazardous Substances necessary to mitigate Environmental Damages, provided, however, the Lessee shall not be responsible for contamination of soil and ground water from outside the premises or the leaching of soil from outside the premises under the Lease, as herein amended, provided, further, that, the Lessee shall be obligated at its sole cost and expense to prove to the satisfaction of the Port Authority that such contamination arose from outside the premises. The foregoing obligations of the Lessee shall include without limitation the investigation of the environmental condition of the area to be remediated, the presentation of feasibility studies, reports and remedial plans, and the performance of any cleanup, remediation, containment, operation, maintenance, monitoring or restoration work; the standard for any of the foregoing to be that standard as required under Environmental Requirements and in the event that any Environmental Requirement sets forth more than one standard, the standard to be applied shall be that which requires the lowest level of a Hazardous Substance. The Lessee agrees that, notwithstanding the foregoing, the Port Authority shall have the right at any time and from time to time, acting in its sole discretion, to designate any standard or standards of remediation or cleanup permitted or required under any Environmental Requirement, and such designation shall be binding upon the Lessee with respect to its obligations hereunder. Any actions of the Lessee under the foregoing shall be performed in a good, safe and workmanlike manner and shall minimize any impact on activities off the premises. The Lessee shall promptly provide to the Port Authority all copies of test results and reports generated in connection with such actions. Promptly upon completion of such investigation and remediation, the Lessee shall seal or cap all monitoring wells and test holes, remove all -associated equipment and restore the remediated property.

Section 8. Prohibited Acts.

(a) *Nuisance.* 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 that may result in the creation or commission or maintenance of such nuisance, waste or injury on the Premises or at the Airport.

(b) *Obnoxious Odors, etc.* The Lessee shall not create or 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 or aircraft engines of other types, so long as such engines are maintained and are being operated in a proper manner, shall not be a violation of this paragraph.

(c) *No Interference with Systems.* 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, underground fuel 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) *Safety Requirements.* The Lessee shall not do or permit to be done any act or thing upon the Premises that (x) 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 (y) 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 hereof entitled "Use of Premises". The Lessee shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Board of Fire Underwriters and the Fire Insurance Rating Organization of New 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 Section entitled "Construction Work 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 hereof entitled "Use of Premises", 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) *No Sale of Merchandise or Services.*

(1) 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.

(2) 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, that (x) 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 (y) 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.

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

(1) Except as provided in the foregoing subparagraph (f) the Lessee shall not keep or store in the premises, explosives, inflammable liquids or solids or oxidized materials.

(g) *Operation of Engines in Enclosed Spaces.* 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 is equipped with a proper spark-arresting device that has been approved by the Port Authority.

(h) *Interference with Access.* The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Premises or in any streets, ways and walks adjacent or near the Premises.

(i) *Overloading.* 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 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) *Use of Structural Members.* The Lessee shall not use or permit the use of any structural supporting member of the buildings or roofs or any part thereof for the storage of any material or equipment, or hoist, lift, move or support any material or equipment or other weight or load, by means of said trusses or structural supporting members, without prior approval of the Port Authority.

(k) *Cleaning Materials.* The Lessee shall not use any cleaning materials having a harmful or corrosive effect, on any part of the Premises.

(l) *Fueling in Enclosed Areas.* The Lessee shall not fuel or defuel any equipment in the enclosed portions of the Premises without prior approval of the General Manager of the Airport.

(m) *Disposal 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 from the premises or 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 or from the premises or at the Airport, shall upon notice, by the Port Authority to the Lessee and subject to the provisions of Section entitled Other Construction by Lessee hereof, be completely removed, cleaned up and/or remediated by the Lessee. The obligations of the Lessee pursuant to this paragraph (m) shall survive the expiration or termination of this Agreement.

(n) *Automobile Parking.* Except as otherwise permitted hereunder, the Lessee shall prevent all persons from parking automobiles on the Premises.

(o) *Access to Public Landing Area.*

(1) The Lessee shall prevent access by persons or vehicles (unless duly authorized by the Port Authority) to the Public Landing Area from the Premises except for aircraft, which aircraft shall be equipped with radio receivers tuned to control tower frequencies and adequately manned in accordance with applicable Port Authority Rules and Regulations. Such aircraft may be towed by a motor vehicle equipped with a radio receiver tuned to the appropriate control tower frequency and adequately manned or such other means as may be approved by the Port Authority. The Lessee shall control access by its passengers and patrons from and to aircraft ramp, apron and parking areas on the Premises and shall maintain control of its passengers and patrons while they are upon said areas by proper measures to insure that the highest standards of safety are maintained.

(2) The Lessee shall furnish adequate security and guard service or such comparable means as approved by the Port Authority from time to time, on a 24 hour, seven day a week basis for the prevention of access to and control of persons on the aeronautical operations areas of the Premises and the prevention of access to the Public Landing Area.

(p) *Restrictions on the Operation of Aircraft Engines.* The Lessee shall not operate or cause to be operated aircraft engines in any portions of the Premises other than for the purpose of taxiing aircraft to and from the Premises.

(q) *Prohibition on the Storage of Aviation Fuel.* The Lessee shall not keep or store aviation fuel on the Premises except that fueling equipment may be operated on the Premises in accordance with the Port Authority Rules and Regulations pertaining thereto.

(r) *Prohibition of Aircraft Obstructions.* The Lessee agrees that it will not erect, construct or maintain or otherwise create or continue any obstacle or so park or store any aircraft or other object on the Premises so as to create any obstacle that will hamper or interfere with the free, orderly, unobstructed and uninterrupted passage of vehicles, aircraft or of the wings or other integral part of aircraft of any type, nature or description, while such vehicle is

operating or aircraft is taxiing or being transported or towed along the runways, taxiways and roads outside of and adjacent to the Premises.

(s) *Restrictions on Certain Waste Disposal.* 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.

(t) The Lessee shall not use or permit the use of the Premises for the sale of tickets for air transportation of persons either upon the aircraft of others.

(u) The Lessee shall not fuel or defuel its automotive vehicles or other equipment in the enclosed portions of the premises without the prior approval of the General Manager of the Airport.

Section 9. Care, Maintenance, Rebuilding and Repair by the Lessee.

(a) *Damage or Destruction of Premises by Lessee.* The Lessee shall repair, replace, rebuild and paint 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 officers or employees or of other persons on or at the Premises with the Lessee's consent and shall pay to the Port Authority the costs and expenses of the Port Authority to repair, replace, rebuild and paint all or any part of the Airport which may be damaged or destroyed by the acts or omissions of the Lessee or by those of its officers or employees or of other persons on or at the Premises with the Lessee's consent.

(b) *Lessee's Other Repair and Maintenance Obligations.* 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:

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

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

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

Lessee shall be in quality and class not inferior to the original in materials and workmanship; and to pay promptly the cost and expense of such repairs, replacements, and maintenance, subject, however, to Lessee's completion of the Premises work as set forth in subparagraph (f) of the Section entitled Construction Work by the Lessee, and to Lessee's repair of those items for which Lessee is responsible under the terms of the Agreement;

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

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

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

(6) Be responsible for the maintenance and repair of any damage to the paving or other surface of the Premises caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon; and

(7) Be responsible for all paving, lighting, signage, storm drains, culverts, cables, supporting structures, cleaning and snow removal in connection with existing and future access roadways which are located off of the Premises and serve the Premises exclusively;

(8) Without limiting its obligations elsewhere in this Section, the Lessee shall 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;

(9) Be responsible for appropriate lighting of all ramp and apron areas on the premises and for the maintenance and repair of any damage to the paving or other surface of the premises, and the maintenance and repair of all access roadways, taxiways and ramp and

apron areas located upon the premises or located adjacent to the premises and used exclusively by those operating at or occupying the premises.

(c) *Port Authority Right to Perform at Lessee's Cost.* In the event the Lessee fails to commence so to maintain, clean, repair, replace, rebuild or paint within a period of twenty (20) days after notice from the Port Authority so to do in the event that the said notice specifies that the required work to be accomplished by the Lessee includes maintenance and/or repair other than preventive maintenance; or within a period of one hundred eighty (180) days if the said notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only, or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all of the Premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the Premises included in the said notice, and the cost thereof shall be payable by the Lessee upon demand.

(d) *Work Near Active Taxiway or Taxilane.* If the performance of any of the foregoing repair, maintenance, replacement, repainting or rebuilding obligations of the Lessee requires work to be performed near an active taxiway or taxilane or where safety of operations is involved, the Lessee agrees, unless otherwise permitted by the Port Authority in writing, that it will, at its own expense, post guards or take such other appropriate measures as may be directed by the General Manager of the Airport to insure the safety of the work performed thereat.

(e) *No Representation or Warranties.* The Lessee hereby acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, directors, 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 and to assume all risks, costs and expenses of any kind whatsoever caused by, arising out of or in connection with, the condition of the Premises whether any aspect of such condition existed prior to, on or after the effective date of the term of the letting of the Premises hereunder, including without limitation all Environmental Requirements and Environmental Damages, and to indemnify and hold harmless the Port Authority for all such risks, requirements, costs and expenses. 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 Lease to the condition of the premises as of the commencement of the term thereof, the same shall be deemed to mean the condition of the Premises as of the date the Lessee first occupied the Premises, 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.

(f) *Survival of Obligations.* All the obligations of the Lessee under this paragraph with respect to responsibilities, risks, costs and expenses assumed by the Lessee shall survive the expiration or termination of the Lease.

Section 10. Damage to or Destruction of Premises.

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

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

(c) *Major Damage.* If the premises, or any part thereof shall be destroyed or so damaged by fire, the elements, the public enemy or other casualty as to be untenable or unusable for ninety days, or if within 90 days after such damage or destruction the Lessee notifies the Port Authority in writing that in its opinion said premises will be untenable or unusable for ninety days then:

The Lessee shall proceed with due diligence to make the necessary repairs or replacements to restore such premises in accordance with the plans and specifications for the premises, for the restoration thereof as the same existed prior to such damage or destruction: or with the approval in writing of the Port Authority in respect to the matters subject to the approval of the Port Authority pursuant to Section 5 hereof, make such other repairs, replacements or changes as may be desired by the Lessee. If such destruction or damage was covered by insurance, the proceeds thereof shall be made available to the Lessee for that purpose.

The obligation of the Lessee to repair or replace shall be limited to the amount of the insurance proceeds provided the Lessee has carried insurance to the insurable value of the premises to the extent and in accordance with Section entitled "Indemnity and Liability Insurance" hereof. Any excess of the proceeds of insurance over the costs of restoration shall be retained by the Port Authority.

(d) *Restoration Obligation.* If the Premises, or any part thereof, shall be destroyed or damaged by fire, the elements, the public enemy or other casualty, then the Lessee shall notify the Port Authority and proceed with due diligence to make the necessary repairs or replacements to restore the Premises in accordance with the plans and specifications for the Premises as the same existed prior to such damage or destruction; or with the approval in writing of the Port Authority make such other repairs, replacements or changes as may be desired by the

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

(e) *Limitation on Obligation.* So long as the Lessee has carried insurance to the extent and in accordance with the Section entitled "Property Insurance", the obligation of the Lessee to repair or replace shall be limited to the amount of the insurance proceeds. Any excess of the proceeds of insurance over the costs of the restoration shall be retained by the Port Authority.

(f) *"Express Agreement to the Contrary"*. The Lessee hereby expressly acknowledges and agrees that no damage or destruction of the Premises shall entitle the Lessee to terminate or suspend the letting hereunder or to be released or relieved of its obligations hereunder, including without limitation the obligation to pay all rentals. The parties hereby stipulate that the provisions of this Section constitute an "express agreement to the contrary" pursuant to Section 227 of the Real Property Law of New York, and neither the provisions of Section 227 of the Real Property Law of New York nor those of any similar statute shall extend or apply to this Agreement.

Section 11. Additional Rent and Charges.

(a) *Imposition of Additional Rental.* If the Port Authority has paid any sum or has incurred any obligations or expenses (including without limitation payments to third persons and internal Port Authority costs and expenses) which the Lessee has agreed to pay or reimburse the Port Authority for or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense (including without limitation payments to third persons and internal Port Authority costs and expenses) by reason of the failure, neglect or refusal of the Lessee to perform or one or more of the conditions, covenants or agreements contained in this Agreement or as a result of an act or omission of the Lessee contrary to the said conditions, covenants and agreements, the Lessee agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rent as set forth in Section 4 hereof entitled "Rental".

(b) *Determination of Additional Rental.* For all purposes under this Section and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing any payment of 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 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.

Section 12. Rights of Entry Reserved.

(a) *Port Authority's Right to Enter.* 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) *Maintenance of Utility and Other Systems.* Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents, representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the Premises new systems or parts thereof, and to use the Premises for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction the Port Authority shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee.

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

(d) *No Port Authority Obligation.* Nothing in this Section shall be construed to impose upon the Port Authority any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the Premises and the Port Authority shall not in any event be liable for any injury or damage to any property or to any Person happening on or about the Premises nor for any injury or damage to the Premises nor to any property of the Lessee or of any other Person located in or thereon (other than those occasioned by the affirmative acts of the Port Authority, its employees, agents and representatives).

(e) *Entry prior to Expiration.* 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. If, during the last month of the letting, the Lessee

shall have removed all or substantially all its property from the Premises, the Port Authority may immediately enter and alter, renovate and redecorate the Premises.

(f) *No Constructive 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 13. Assignment and Sublease.

(a) *Definitions.* The following terms shall have the respective meanings set forth below.

(1) *"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 by operation of law or otherwise.

(2) *"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.

(3) *"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 term Affiliate hereof) 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) *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.

(d) *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 (b) and (c) 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.

(e) *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.

(f) *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, passengers, contractors and representatives.

Section 14. Termination by the Port Authority.

(a) *Events of Default.* 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 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 sixty (60) 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 because of an act or omission of 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; or

(5) Any lien is filed against the Premises because of any act or omission of the Lessee and shall not be discharged by either payment or bonded, by providing to the Port Authority a bond covering 150% of the lien amount 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 ninety (90) days after the filing thereof; or

(8) 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 to make any other payments required hereunder for a period of fifteen (15) days after receipt of notice by it from the Port Authority to make such payments; or

(9) 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);

(10) Except as otherwise expressly provided in Section hereof 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. Notwithstanding the foregoing, a merger or consolidation shall not be grounds for termination if the corporation resulting from any such merger or consolidation has a financial standing as of the date of the merger or consolidation sufficient to assure the Port Authority that the resulting corporation has the financial ability to fulfill all of the Lessee's obligations under this Agreement for the balance of the term of the

letting under this Agreement then, upon the occurrence of any such event or at any time thereafter 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) *Possession of Premises.* If any of the events enumerated in subdivision (a) of this Section 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 under this Agreement, such cancellation to be effective upon the date specified in such notice.

(c) *Other Rights and Remedies.* 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.

(d) *No Waiver.* No failure by the Port Authority to insist upon the strict performance of any agreement, term, covenant or condition of this Agreement or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Agreement during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of rentals, 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 Agreement to be performed or complied with by the Lessee, 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 Lessee in performance of any agreement, term, covenant or condition of this Agreement shall affect or alter this Agreement, but each and every agreement, term, covenant and condition thereof shall continue in full force and effect with respect to any other then existing or subsequent breach or default thereof.

(e) *Waiver of Trial by Jury, etc.* 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.

(f) *Additional Termination Costs.* In the event the Port Authority exercises its right to terminate the letting hereunder pursuant to this Section, the Lessee shall reimburse the Port Authority for any and all personnel and legal costs (including but not limited to the cost to the Port Authority of in-house legal services) and disbursements incurred by it arising out of,

relating to, or in connection with the enforcement or termination of the letting hereunder including, without limitation, legal proceedings initiated by the Port Authority to regain possession of the Premises and to collect all amounts due and owing to the Port Authority under this Lease.

Section 15. Rights of Re-entry.

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

Section 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.

Section 17. Reletting by the Port Authority.

The Port Authority, upon termination or cancellation pursuant to Section hereof entitled "Termination by the Port Authority", or upon any re-entry, regaining or resumption of possession pursuant to Section hereof entitled "Rights of Re-entry", may occupy the Premises or may relet the Premises, and shall have the right to permit any Persons, 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 or upon its re-entry, regaining or resumption of possession, pursuant to the said Sections, 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 surrender.

Section 18. Remedies to be Non-Exclusive.

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Port Authority or to the Lessee at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Section 19. Surrender.

The Lessee covenants and agrees to yield and deliver peaceably to the Port Authority possession of the Premises on the date of cessation of the letting, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, 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 20. Acceptance of Surrender of Lease.

No agreement of surrender or to accept a surrender shall be valid unless and until the same shall have been reduced to writing and signed by the duly authorized representatives of the Port Authority and of the Lessee. Except as expressly provided in this Section, neither the doing of, nor any omission so 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 21. Effect of Basic Lease.

(a) The letting shall, in any event, terminate with the termination or expiration of the Basic Lease with the City which covers the Premises, such termination to be effective on such date and to have the same effect as if the term of the letting had on that date expired. The rights of the Port Authority in the Premises are those granted to it by the Basic Lease, and no greater rights are granted to the Lessee than the Port Authority has power thereunder to grant.

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

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

(2) 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);

(3) With respect to this Lease, the Lessee on the termination of the Basic Lease will, at the option of the City, attorn to, or enter into a direct lease on identical terms with, the City;

(4) The Lessee shall indemnify the City, as a 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 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;

(5) The Lessee shall not use the Premises hereunder or any other portion of the Airport for any use other than as permitted under the Basic Lease;

(6) 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;

(7) The failure of the Lessee to comply with the foregoing provisions shall be an event of default under this Lease, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate this Lease and exercise any other rights that the Port Authority may have as the landlord 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 Lessee pursuant to this Lease.

(c) The rights and obligations of the Lessee with respect to continuance of this Agreement upon the expiration or termination of the Basic Lease shall be as set forth in paragraph (b)(3) of this Section and the Lessee shall not enter into any recognition or nondisturbance agreement with the City with respect to the continuance of this Lease after the termination or expiration thereof or into any other agreement covering the Lessee's use and occupancy of the Premises hereunder without the prior written consent of the Port Authority.

Section 22. Removal of Property.

All personal property (including trade fixtures) installed by the Lessee in or on the Premises, shall be deemed to be and remain the property of the Lessee (the "***Lessee's Personal Property***"). All of the Lessee's Personal Property, provided that the Lessee shall install suitable replacements therefor if such property is necessary to operate the Premises in accordance with the terms and provisions hereof, may at the Lessee's option be removed by the Lessee from the Premises at any time during the term of the letting hereunder. Furthermore, notwithstanding the previous sentence, all of the Lessee's Personal Property shall, unless otherwise agreed in writing by the parties hereto, be removed by the Lessee on or before the expiration or other termination of the term of the letting hereunder. Any of the Lessee's Personal Property, except for Tanks (as defined in Section hereof entitled "Storage Tanks"), remaining on the Premises thereafter shall be deemed abandoned by the Lessee. 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 so abandoned by the Lessee, including claims for conversion, claims for loss of or damage to the Lessee's Personal Property, claims for injury to Persons (including death), and claims for any other damages, consequential or otherwise.

Section 23. Brokerage.

The Lessee represents and warrants that no real estate broker has been concerned on its behalf in the negotiation of this Agreement and that there is no real estate broker who is or may be entitled to be paid a commission in connection therewith. The Lessee shall indemnify and save harmless the Port Authority of and from any claim(s) 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.

Section 24. Limitation of Rights and Privileges Granted.

(a) *No Greater Rights.* 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 hereof, than the rights and privileges expressly and specifically granted hereby.

(b) *Subject to Easements, etc.* The Premises are let to the Lessee and the Lessee takes the same subject to all the following: (x) easements, restrictions, reservations, covenants and agreements, if any, to which the Premises are subject, rights of the public in and to any public street, (y) rights, if any, of any enterprise, public or private which is engaged in furnishing heating, lighting, power, telegraph, telephone, steam, or transportation services and of the City and State of New York and (z) 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 25. 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 95000-1556
PHILADELPHIA, PENNSYLVANIA 19195-0001

or via the following wire transfer instructions:

CREDIT BANK NAME:	TD BANK
CREDIT BANK ADDRESS:	6000 Atrium Way, Mount Laurel, NJ 08054
CREDIT BANK ABA#:	031201360
BENEFICIARY ACCOUNT/ID#:	(Ex. 1)
BENEFICIARY NAME:	THE PORT AUTHORITY OF NY & NJ

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 Lessee.

Section 26. Non-Discrimination.

(a) *Covenant to Comply.* 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 ground 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, (2) that in the construction of any improvements on, over, or under the Premises and furnishing of services thereon, 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) *Inclusion in Agreements.* The Lessee shall include the provisions of paragraph (a) of this Section in every sublease, 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) *Noncompliance Constitutes Material Breach.* The Lessee's noncompliance with the provisions of this Section shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above nondiscrimination 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 this Agreement and the letting hereunder with the same force and effect as a termination under Section hereof entitled "Termination by the Port Authority", 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 noncompliance with any of the provisions of this Section and the Lessee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

(e) *No Deemed Grant of Other Rights.* Nothing contained in this Section 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 27. *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.

Section 28. *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 29. *Ingress and Egress.*

(a) *City Streets.* The Lessee, its officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress between the Premises and the city streets outside the Airport over such highways at the Airport as may be made available from time to time by the Port Authority for use by the public. Such right shall be exercised in common with others having rights of passage within the Airport, provided, however, the Port Authority may from time to time substitute other reasonably equivalent means of ingress and egress.

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

(c) *Use Subject to Rules and Regulations.* The use of all roadways and taxiways shall be subject to the Rules and Regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport.

(d) *Closure of Roadways and Public Landing Area.* In addition to the rights of closure granted above, the Port Authority may, at any time, temporarily or permanently close, or consent to or request the closing of, any such roadway, taxiway and any other area at the Airport presently or hereafter used as such, so long as a reasonably equivalent means of ingress and egress remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority, and all municipalities and other governmental authorities, and their respective successors and assigns of and from any and all claims, demands or causes of action which the 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 way or other area, whether within or outside the Airport provided a reasonably equivalent means of access is available. The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Premises or in any streets, ways and walks near the Premises.

(e) *No Interference with Access of Others.* The Lessee shall not do or permit anything to be done that will interfere with the free access and passage of others to space adjacent to the Premises or in any streets, ways and walks near the Premises.

Section 30. Services.

(a) *No Services Except as Expressly Provided.* Except as expressly provided in this Section, 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.

(b) *Electricity.* The Port Authority shall sell, furnish and supply to the Lessee 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, but limited however, to a maximum of the installed transformer capacity serving each portion of the Premises on the Effective Date, at the same charge which would be made by such public utility for the same quantity 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 the purpose; 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 (subject to the installed transformer capacity limitation aforesaid) 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. The Port Authority shall install the appropriate meters.

(c) *Water.* The Port Authority agrees to sell, furnish and supply to the Lessee for use on the Premises cold water (of the character furnished by the City) in reasonable quantities through existing 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. 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 the purpose; 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 immediately before or after the interruption, as elected by the Port Authority. The Port Authority shall install the appropriate meters. In the event meters are not installed to measure the consumption of water under high pressure, the quantity of such water used by the Lessee will be based upon equitable estimates of consumption, which estimates shall be deemed binding on the Lessee.

(d) *Sewage.* The Lessee shall pay to the Port Authority such of the existing and future charges for sewerage services furnished by the City as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Premises or its use and occupancy thereof.

(e) *Other Services.* 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 and occupancy 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 to the Premises or its use and occupancy thereof.

(f) *Extermination.* 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.

(g) *No Port Authority Obligation.*

(1) The Port Authority shall not be obligated to perform or furnish any other services whatsoever in connection with the Premises or any services at any time while the Lessee shall be in default hereunder after the period, if any, herein granted to cure such default shall have expired.

(2) 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.

(h) *No Constructive Eviction.* No failure, delay or interruption in supplying agreed services (whether or not a separate charge is made therefor) 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 willful failure of the Port Authority) shall be grounds for any claim by the Lessee for damages, consequential or otherwise.

Section 31. The Lessee's Ongoing Affirmative Action, Equal Opportunity and Local Business Enterprises Commitment.

(a) *The Lessee's Ongoing Affirmative Action, Equal Opportunity Commitment.*

(1) In addition to and without limiting any other term or provision of this Agreement, the Lessee, in connection with its use and occupancy of the premises and any and all of its activities and operations at or affecting the premises or the Airport, shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status and shall undertake or continue existing programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. Such programs shall include, but not be limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rates of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training.

(2) In addition to and without limiting the foregoing, and without limiting the provisions of Section hereof entitled "Non-Discrimination" and Schedule E attached hereto and incorporated by reference, it is hereby agreed that the Lessee in connection with its continuing operation, maintenance and repair of the Premises, or any portion thereof, and in connection with every award or agreement for concessions or consumer services at the Airport, shall throughout the term of the letting hereunder commit itself to and use good faith efforts to implement an extensive program of affirmative action, including specific affirmative action steps to be taken by the Lessee, to ensure maximum opportunities for employment and contracting by minorities and women, and by Minority Business Enterprises and Women-owned Business Enterprises. In meeting the said commitment the Lessee agrees to submit to the Port Authority for its review and approval its said extensive affirmative action program, including the specific affirmative action steps to be taken by the Lessee to meet its aforesaid commitment, within sixty (60) days after the Effective Date. The Lessee shall incorporate in its said affirmative action program such revisions and changes which the Port Authority initially or from time to time may reasonably require. The Lessee throughout the term of this Agreement shall document its efforts in implementing the said program, shall keep the Port Authority fully advised of the Lessee's progress in implementing the said affirmative action program and shall supply to the Port Authority such information, data and documentation with respect thereto as the Port Authority may from time to time and at any time request, including but not limited to annual reports.

(3) Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

(aa) Dividing the work to be subcontracted into smaller portions where feasible.

(bb) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor associations. The Lessee shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation, 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.

(cc) Making plans and specifications for prospective work available to MBEs and WBEs in sufficient time for review.

(dd) 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.

(ee) Encouraging the formation of joint ventures, partnerships or other similar arrangements among subcontractors, where appropriate, to insure that the Lessee will meet its obligations hereunder.

(ff) Insuring that provisions are made to provide progress payments to MBEs and WBEs on a timely basis, preferably biweekly, and that retainage is paid to MBEs and WBEs when they have completed their work.

(gg) Submitting quarterly reports to the Port Authority (Office of Business and Job Opportunity) detailing its compliance with the provisions hereof.

(hh) 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.

(4) 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 provisions the Port Authority may take any appropriate action to enforce compliance; or in the event such non-compliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate this Agreement and the letting hereunder with the same force and effect as a termination 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.

(5) In the implementation of this Standard Endorsement, the Port Authority may consider compliance by the Lessee with the provisions of any federal, state or local law concerning affirmative action equal employment opportunity which are at least equal to the requirements of this Standard Endorsement, as effectuating the provisions of this Standard Endorsement. If the Port Authority determines that by virtue of such compliance with the

provisions of any such federal, state or local law that the provisions hereof duplicate or conflict with such law the Port Authority may waive the applicability of the provisions of this Section to the extent that such duplication or conflict exists.

(6) 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.

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

(b) *The Lessee's Local Business Enterprise Commitment.*

The Lessee in connection with any construction work on the Premises, or any portion thereof, shall throughout the of the letting hereunder commit itself to and use good faith efforts to implement an extensive program to utilize Local Business Enterprises in accordance with and as set forth in Schedule F attached hereto.

Section 32. Storage Tanks.

(a) *Definitions.* The following terms shall have the respective meanings set forth as follows:

(1) *"Discharge"* shall mean the presence, pumping, pouring, venting, emitting, emptying, leakage, deposit, spill, discharge or other release of Hazardous Substances from Tanks or in connection with their use, operation, maintenance, testing or repair.

(2) *"Tanks"* shall mean all underground storage tanks and all above ground storage tanks installed in the Premises as of the commencement of the Lessee's occupancy of the Premises or any portion thereof, together with all underground storage tanks and all above ground storage tanks installed in the Premises during the term of the letting hereunder or during the term of any prior occupancy of the Premises by the Lessee, and their appurtenances, pipes, lines, fixtures and other related equipment are hereinafter collectively called the "Tanks" and singularly called a "Tank".

(b) *Lessee to Have Responsibility for All Tanks.* Notwithstanding any other facts or circumstances to the contrary, including without limitation any vesting of title to the Tanks in the City or the Port Authority pursuant to any construction or alteration application or otherwise, the Lessee hereby agrees that title and ownership of the Tanks shall be and remain in the Lessee, that all Tanks shall be registered by the Lessee in the name of the Lessee as operator and owner and that the Lessee shall have full and sole responsibility for all the Tanks, and shall release and relieve the Port Authority from all costs and responsibility for the Tanks. The Port Authority has made no representations or warranties with respect to the Tanks or their location and shall assume no responsibility for the Tanks. All Tanks installed by the Lessee during the term shall be installed pursuant to the terms and conditions of this Agreement including without

limitation Section hereof entitled "Construction Work by the Lessee", and nothing in this Section shall be deemed to be permission or authorization to install any Tanks.

(c) *Maintenance of Tanks.* Without limiting the generality of any of the provisions of this Agreement, the Lessee agrees that it shall be solely responsible for maintaining, testing and repairing the Tanks. The Lessee shall not perform any servicing, repair or non-routine maintenance to the Tanks without the prior written approval of the Port Authority. In addition, the Lessee, at its sole cost and expense, shall make all modifications to the Tanks and take all other actions so that the Tanks shall at all times comply with all applicable Environmental Requirements.

(d) *Removal.*

(1) The Lessee shall remove all the Tanks from the Premises on or before the expiration of this Agreement (unless the Lessee shall have received the prior written approval of the Port Authority to have abandoned a tank in place and such abandonment continues to meet all applicable Environmental Requirements) and the Lessee agrees to dispose of the Tanks off the Airport in accordance with all applicable Environmental Requirements.

(2) Any removal of the Tanks shall be performed pursuant to an alteration application prepared by the Lessee and submitted to the Port Authority for the Port Authority's approval and in connection with such removal, the Lessee shall restore the Premises to the same condition existing prior to the installation of the Tanks, shall perform such testing of the Tanks and of the soil, sub-soil and ground water in the vicinity of the Tanks as shall be required by the Port Authority and shall clean-up and remediate any contamination disclosed by said testing. In the event the Lessee does not remove the Tanks as required by subparagraph (1) above, the Port Authority may enter upon the Premises and effect the removal and disposal of the Tanks, restoration of the Premises and such remediation and the Lessee hereby agrees to pay all costs and expenses of the Port Authority arising out of such removal, disposal, restoration and remediation.

(3) It is hereby agreed that title to and ownership of the Tanks shall remain in the Lessee until receipt by the Lessee of notice from the Port Authority that title to the Tanks shall vest in the Port Authority or in the City of New York. The vesting of title to the Tanks in the Port Authority or in the City of New York, if at all, in accordance with the foregoing shall in no event relieve the Lessee from the obligation to remove the Tanks from and restore the premises in accordance with paragraph (1) above.

(4) *Compliance with Environmental Requirements.* Without limiting the generality of any other term or provision of this Agreement, the Lessee shall at its cost and expense comply with all Environmental Requirements applicable to the Tanks, including without limitation any modifications or closures required thereby, and any Discharge, including without limitation testing the Tanks and registering the Tanks in the name of the Lessee as owner and operator, submitting all required clean-up plans, bonds and other financial assurances, performing all required clean-up and remediation of Discharges and filing all reports, making all submissions to, providing all information required by, and complying with all requirements of,

all Governmental Authorities pursuant to all such Environmental Requirements. Nothing in the foregoing shall be construed as a submission by the Port Authority to the application to itself of the Environmental Requirements, provided, however, no immunity or exemption of the Port Authority from the Environmental Requirements shall excuse the compliance therewith by the Lessee or shall be grounds for non-compliance therewith by the Lessee.

(e) *Lessee's Assumption of Risks.*

(1) The Lessee hereby assumes all risks arising out of or in connection with the Tanks and all Discharges whether or not foreseen or unforeseen and shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees from and against (and shall reimburse the Port Authority for their costs and expenses including without limitation penalties, fines, liabilities, settlements, damages, attorney and consultant fees, investigation and laboratory fees, clean-up and remediation costs, court costs and litigation expenses), all claims and demands, just or unjust, of third persons (such claims and demands, "**Tank Claims**") including but not limited to those for personal injuries (including death), property damages, or environmental impairment, arising or alleged to arise out of or in any way related to, the failure of the Lessee to comply with each and every term and provision of this Agreement, or the Tanks, or any Discharge, or any lawsuit brought or threatened, settlement reached or any governmental order relating to the Tanks or a Discharge, or any violation of any Environmental Requirement or demands of any Governmental Authority based upon or in any way related to the Tanks or a Discharge, and whether such arise out of the acts or omissions of the Lessee or of the contractors of the Lessee or of third persons or out of the acts of God or the public enemy or otherwise including Tank Claims by the City of New York against the Port Authority pursuant to the provisions of the Basic Lease whereby the Port Authority has agreed to indemnify the City against claims. It is understood the foregoing indemnity shall cover all claims, demands, penalties, settlements, damages, fines, costs and expenses of or imposed by any Governmental Authority under the aforesaid Environmental Requirements.

(2) If so directed the Lessee shall at its expense defend any suit based upon any such Tank Claim (even if such Tank Claim is groundless, false or fraudulent) and in handling such it shall not without first having 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.

(3) The terms and conditions of this paragraph (e) are intended to allocate obligations and responsibilities between the Lessee and the Port Authority only, and nothing in this paragraph (e) shall limit, modify or otherwise alter the rights and remedies which the Port Authority or the Lessee may have against third parties at law, equity or otherwise.

(f) *Survival of Obligations.* Without limiting or affecting the terms and provisions of the Section hereof entitled "Survival of the Obligations of the Lessee", the Lessee's obligations under this Section shall survive the expiration or earlier termination of this Agreement.

(g) *Port Authority-directed Testing and Remediation.* In addition to the requirements of Section hereof entitled "Compliance with Governmental Regulations" and paragraph (e) of this Section, the Port Authority shall have the right upon notice to the Lessee to direct the Lessee, at the Lessee's sole cost and expense, (x) to perform such reasonable testing of the Tanks as the Port Authority shall direct and to perform such testing of the soil, subsoil and ground water of the Premises and of such surrounding area as the Port Authority shall direct, and (y) to clean-up and remediate any Discharge, regardless of whether any Environmental Requirement or Governmental Authority shall require such testing, clean-up or remediation, which testing, clean-up and remediation shall be performed pursuant to an alteration application prepared by the Lessee and submitted to the Port Authority for the Port Authority's approval.

(h) *Preventive Measures.* In the Lessee's use and operation of the Tanks, the Lessee shall not permit any Hazardous Substance from entering the ground, and accordingly shall take appropriate preventive measures, including without limitation (subject to Section hereof entitled "Construction Work by the Lessee") installing appropriate spill and overflow devices and placing an impervious material, such as asphalt or concrete, over the ground area above or under and in the vicinity of the Tanks.

Section 33. Late and Service Charges.

(a) *Late Charge.* 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 rentals 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 (described below) 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 audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement.

(b) *Service Charge.* 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), in addition to the late charge provided above, a service charge in the amount of five percent (5%) of each amount determined by the audit findings to be unpaid.

(c) *No Waiver.* Each late charge and service charge shall be payable immediately upon demand made at any time therefor by the Port Authority, as the case may be. No acceptance by the Port Authority of payment of any unpaid amount shall be deemed a waiver of the right of the Port Authority, respectively, to payment of any late charge or service charge payable under the provisions of this Section with respect to such unpaid amount. Each late

charge and service charge shall be recoverable in the same manner and with like remedies as if it were originally a part of the rentals set forth in the Section of entitled "Rental". Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (x) any rights of the Port Authority under this Agreement, including without limitation the rights of the Port Authority set forth in Section hereof entitled "Termination by the Port Authority" or (y) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

Section 34. Federal Airport Aid.

The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented 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 Agreement is therefore a special consideration and inducement to the making of this Agreement by the Port Authority, and the Lessee further covenants and agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid shall make any orders, recommendations or suggestions respecting the performance by the Lessee of its covenants and obligations under this Agreement, the Lessee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

Section 35. 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 is not responsible and which are not within its control: provided, however, that this provision shall not prevent either party from exercising any right of termination granted to it under any of the provisions of this Lease nor from exercising its right to an abatement of rental under Section 4 hereof, provided, further that this provision shall not apply to failures by the Lessee to pay the rentals and fees specified in Section 4 or other charges specified in this Agreement, and shall not apply to any other charges or money payments.

Section 36. Notices.

- (a) Notices to be in Writing

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 (each, a "Notice") shall be in writing.

(b) Delivery

All Notices shall be (x) 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; (y) delivered by reliable overnight delivery service to such party's designated address; or (z) mailed to such party, officer or representative by registered or certified mail with return receipt requested, at such party's designated address, to the attention of the representative designated by such party from time to time.

(c) Designated Representative and Address

1. Until further Notice, the Port Authority hereby designates its Executive Director, at its offices at 225 Park Avenue South, New York, New York 10003, as its representative and address for service of Notices.

2. Lessee designates Managing Director, Real Estate at the following address: Federal Express Corporation, 3680 Hacks Cross Road, Building H, 3rd Floor, Memphis, TN, 38125.

(d) Each Notice shall be deemed given and effective (x) upon receipt, (y) in the event of a refusal by the addressee, on the first tender of such Notice to the addressee at the designated address and (z) in the event of failure of delivery by reason of changed address of which no notice was given hereunder, on the first attempt at delivery. A party receiving a Notice that does not comply with the technical requirements for Notices under this Section may elect to waive any deficiencies and treat the Notice as duly given and effective.

(e) Upon giving the Lessee any Notice of (x) a default under this Agreement, or (y) a termination of the Lessee's interest in this Agreement, the Port Authority will provide a copy of such Notice, for informational purposes only, to: Managing Director, Business Transactions Group, Federal Express Corporation, 3620 Hacks Cross Road, Building B, 3rd Floor, Memphis, TN 38125; provided, however, that the providing of such copy shall not be deemed a condition precedent to the Port Authority's taking of any action or doing of anything provided in the Notice; provided, further, that any failure to provide such copy shall not vitiate the Notice or otherwise render it unenforceable.

Section 37. Condition of the Premises.

(a) The Lessee accepts the Premises in their "as is" condition, includes any encapsulated buildings or structures and acknowledges and accepts that the improvements may contain asbestos and the Port Authority shall not have any responsibility for any work or installation to the Premises to make the same usable by the Lessee, to place them in any particular condition or to reimburse the Lessee for any work or installation as may be made by or on behalf of the Lessee, the Lessee having exclusive responsibility therefore. 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 any portion of the Premises becoming a part of the Premises hereunder,

thoroughly examined or shall examine, as the case shall be, such portion of the Premises and determined it to be suitable for the Lessee's operations under this Agreement.

(b) 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 and to assume all responsibility for any and all risks, costs and expenses of any kind whatsoever caused by, arising out of or in connection with, the condition of the Premises whether any aspect of such condition existed prior to, on or after the effective date of the letting of the premises hereunder, including without limitation all Environmental Requirements and Environmental Damages, and to indemnify and hold harmless the Port Authority for all such risks, requirements, costs and expenses. 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.

(c) 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 thereof, the same shall be deemed to mean the condition of the Premises when the Lessee first occupied the Premises, and as to the improvements made and the alteration work performed during the term of this Agreement or of any prior lease, license or other agreement with the Lessee covering any portion of the Premises, in the condition existing after the completion of the same.

(d) All the obligations of the Lessee under this Section with respect to responsibilities, risks, costs and expenses assumed by the Lessee shall survive the expiration or termination of this Agreement.

Section 38. Security.

The Lessee and the Port Authority have heretofore entered into that certain security agreement bearing Port Authority Agreement No. AX-764 (the "*Security Agreement*"). Without limiting the terms and conditions of the Security Agreement, it is hereby acknowledged that this Lease shall be one of the Agreements covered by the Security Agreement. Further the Lessee agrees that any breach or failure to perform or comply with any of the terms and conditions of the Security Agreement or failure of any banking institution issuing a Letter of Credit, as defined in the Security Agreement, to make one or more payments as provided in such Letter of Credit, shall constitute a material breach of this Lease thereby entitling the Port Authority to immediately exercise any and all rights available to it, including without limitation, the right to terminate this Lease pursuant to the Section entitled "Termination by the Port Authority", as fully as if such breach, failure or non-compliance was a breach of a material term or condition of this Lease.

Section 39. Lessee's Rights Non-Exclusive.

The rights and privileges granted to the lessee are non-exclusive and neither the execution of this Lease by the Port Authority nor anything contained herein shall grant or be deemed to grant to the Lessee any exclusive rights or privileges including but not limited to the right to design, construct, lease and operate air cargo facilities on the Airport.

Section 40. Relationship of the Parties.

This Agreement does not constitute the Lessee as the agent or representative of the Port Authority for any purpose whatsoever. Neither a partnership nor any joint adventure is hereby created, notwithstanding the fact that certain payments to the Port Authority pursuant to Section hereof, entitled Rental are determined on the basis of a percentage of Lessee's gross receipts and notwithstanding the fact certain other payments to the Port Authority pursuant to Section hereof, entitled Rental may be determined on the basis of a percentage of gross sublease rentals to the Lessee.

Section 41. Utility Lines.

The Port Authority, shall, if and to the extent required, bring appropriate roadway access stubs and service lines for the supply of cold water, electric power, telephone (limited to four telephone conduits) and sanitary and storm sewers (said service lines and sanitary and storm sewers being hereinafter collectively referred to as "utility service lines") to such locations, at the perimeter of the site or to other locations off the site as the Port Authority shall determine. The lessee at its sole cost and expense is hereby obligated to tie its utility lines and roadways into such locations at or near the perimeter of the site where such utility service lines and roadway access stubs will be brought by the Port Authority hereunder. The Port Authority shall have no obligation to make available any utility service lines or roadway access stubs to any location with respect to the premises prior to receiving the certificate of the Lessee and of the Lessee's architect or engineer that all of the construction work has been completed or that a portion of the construction work is properly usable, all as provided in paragraph (f) of Section entitled (Construction Work by Lessee) hereof, and that the Lessee is ready to tie its utility lines and roadways into the utility service lines and roadway access stubs to be furnished by the Port Authority to the Premises.

Section 42. Maintenance Employees.

The Lessee shall at all times during the term of this Agreement on a twenty-four (24) hour basis have available sufficient qualified personnel including but not limited to professional electrical engineers and sanitation engineers, who shall be qualified to perform the maintenance obligations of the Lessee under this Agreement and particularly be able to respond to all emergencies.

Section 43. Property Insurance.

(a) Obligation to Insure. The Lessee shall, during the term of this Agreement, insure and keep insured to the extent of 100% of the replacement value thereof, the entire Premises and all other buildings, structures, improvements, installations, facilities and fixtures now or in the future located on the Premises against all risks of physical loss or damage (including, but not limited to flood and earthquake risks), if available, and if not available, then against such hazards and risks as may now or in the future be included under the Standard Form of Fire Insurance Policy of the State of New York and also against damage or loss by windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the Standard Form of Fire Insurance Policy of New York and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction, and if the Port Authority so requests, also covering contamination hazards and risks and boiler and machinery hazards and risks in a separate insurance policy or policies or as an additional coverage endorsement to the aforesaid policies in the form as may now or in the future be prescribed as of the effective date of said insurance by the rating organization having jurisdiction and/or the Superintendent of Insurance of the State of New York and the Lessee shall furthermore provide additional insurance covering any other peril of loss or damage that the Port Authority at any time during the term of this Agreement covers 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) Named Insureds. The aforesaid insurance coverages and renewals thereof shall insure the Port Authority, the Lessee and the City of New York, as insureds, as their interests may appear, and shall provide that the loss, if any, shall be adjusted with and payable to the Port Authority.

(c) Prompt Notification of Loss. In the event the Premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section, the Lessee shall promptly notify the Port Authority and promptly furnish to the Port Authority such information and data as may be necessary to enable the Port Authority to adjust the loss.

(d) Evidence of Insurance. The policies or certificates representing insurance covered by this Section shall be delivered by the Lessee to the Port Authority prior to the Effective Date and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon, and also shall contain a valid provision obligating the insurance company to furnish the Port Authority and the City of New York fifteen (15) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be delivered to the Port Authority at least ten (10) days before the expiration of the policy that is being renewed.

(e) Application of Proceeds. Regardless, however, of the Persons whose interests are insured, the proceeds of all policies covered by this Section shall be applied as

provided in the Section hereof entitled "Damage to or Destruction of the Premises"; and the word "insurance" and all other references to insurance in said Section shall be construed to refer to the insurance which is the subject matter of this Section, and to refer to such insurance only.

(f) Port Authority Approval. 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. 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 Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of said policies shall be made available by the Lessee to the Port Authority for inspection and reproduction at an office of the Lessee within the Port of New York District.

Section 44. Environmental Obligations.

(a) Lessee's Assumption of Condition of Premises.

(1) Without limiting the generality of any of the other terms and provisions of this Agreement, but subject to the provisions of subparagraph (2) below, the Lessee hereby expressly agrees to assume all responsibility for, relieve the Port Authority from, and reimburse the Port Authority for, any and all risks, claims, penalties, costs and expenses of any kind whatsoever caused by, arising out of or in connection with, the condition of the Premises, which the Lessee acknowledges may include the existence of asbestos within improvements located on the Premises, whether any aspect of such condition existed prior to, on or after the Effective Date, including without limitation all Environmental Requirements set forth in paragraph (b) of this Section and all Environmental Damages, and to indemnify and hold harmless the Port Authority against all such risks, claims, penalties, responsibilities, costs and expenses.

(2) Notwithstanding the foregoing, it is hereby agreed and understood that except as set forth in paragraph (k) of this Section, the Lessee shall not be responsible for the following:

(i) The remediation or removal of Hazardous Substances present on, about or under any portion of the Premises if such presence occurred prior to the commencement of the Lessee's tenancy or other occupancy of such portion of the Premises.

(ii) The remediation or removal of Hazardous Substances in the soil or ground water in, or under the Premises caused by the sole acts or omissions of the Port Authority on or after the Effective Date; and

(iii) Any Hazardous Substances that, on or after the Effective Date, has migrated (x) onto the Premises from outside the Premises or (y) outside the Premises from the Premises, the migration of which is not a result of or in connection with any act or omission, including without limitation any non-negligent act or omission, of the Lessee or of Persons other than the Lessee which use, occupy or are on the Premises with the consent of 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 of the letting hereunder, the Lessee understands and agrees that, 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:

(1) 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;

(2) The obtaining of any surety bond or the giving of any other financial assurances; and

(3) 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) Obligation to Remediate. In addition to and without limiting the generality of the obligations of the Lessee set forth above and elsewhere in this Agreement, the Lessee shall, at its sole cost and expense and in accordance with and subject to the provisions of the Section hereof entitled "Construction Work by the Lessee", upon notice from the Port Authority, promptly take all actions to:

(1) except as provided in paragraph (a) (2) of this Section, completely remove and remediate all Hazardous Substances in, on and under the Premises and at the Airport resulting from or in connection with the use and occupancy of the Premises by the Lessee or any affiliated company of the Lessee or which have been or permitted to be disposed of, released, discharged or otherwise placed in, on or under the Airport by the Lessee or any affiliated company of the Lessee or which have been disposed of, released, discharged or otherwise placed in, on or under the Premises during the term of the letting of the Premises under this Agreement or during the term of any previous agreement between the Lessee or any affiliated company of the Lessee and the Port Authority covering the Lessee's or any such affiliated company's use and/or occupancy of the Premises or any portion thereof;

(2) except as provided in paragraph (a) (2) of this Section, Remove and remediate all Hazardous Substances in, on or under the Premises or which have migrated from the Premises to any other property which any Governmental Authority or any Environmental Requirement or any violation thereof require to be remediated or removed; and

(3) except as provided in paragraph (a) (2) of this Section, Remove and remediate all Hazardous Substances in, on or under the Premises or which have migrated from or from under the Premises necessary to mitigate any Environmental Damages.

(d) Particular Obligations Included. The obligations set forth in paragraphs (a), (b) and (c) of this Section shall include but not be limited to the investigation of the environmental condition of the area to be remediated, the preparation of feasibility studies, reports and remedial plans and the performance of any removal, remediation, containment, operation, maintenance, monitoring or restoration work and shall be performed in a good, safe and workmanlike manner. The Lessee shall promptly provide the Port Authority with copies of all test results and reports generated in connection with such obligations. Promptly upon completion of such investigation and remediation, the Lessee shall seal or cap all monitoring wells and test holes, remove all associated equipment and restore the remediated property.

(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. For the purposes of this paragraph, the term "cost" shall be as defined in the Section hereof entitled "Additional Rent and Charges".

(f) Information and Reports. Without limiting any other of the Lessee's obligations under this Agreement, the Lessee, at its sole cost and expense, shall provide the General Manager of the Airport with such information, documentation, records, correspondence, notices, reports, tests, results, and certifications and any other information as the Port Authority shall request in connection with any Environmental Requirements or Environmental Damages, and the Lessee shall promptly acknowledge, swear to, sign or otherwise fully execute the same. The Lessee agrees that any of the foregoing may be filed by the Port Authority with the appropriate Governmental Authority on behalf of the Lessee at the Lessee's cost and expense. Further, the Lessee agrees, unless directed otherwise by the Port Authority, to provide the General Manager of the Airport with copies of all information, documentation, records, correspondence, notices, certifications, reports, test results and all other submissions provided by the Lessee to a Governmental Authority, and by a Governmental Authority to the Lessee, within two (2) business days after the same have been made available to or received by the Lessee with respect to any Environmental Requirements or Environmental Damages.

(g) Indemnification. Without limiting the generality of any other provision of this Agreement, 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 which 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.

(h) Compliance Standard.

(1) 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 said 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 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, 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.

(2) The Lessee further agrees that, notwithstanding the terms and conditions of subparagraph (h)(1) 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.

(3) 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 letting under this Agreement; (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 letting under this Agreement; 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 letting under this Agreement. For purposes of this section, "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) Disposal of Matter.

(1) It is expressly understood and agreed that the proper handling, delivery, treatment, storage, transportation, disposal and depositing (collectively, "*Disposal*"), whether on or off the Airport, of any soil, dirt, sand, silt, water, asbestos, lead, PCB's, demolition or construction debris or other matter excavated, disturbed or removed by the Lessee or its contractors at, from or under the Premises or any other area of the Airport (all such soil, etc. or other matter, collectively, the "*Matter*") at any time or times, and regardless of the nature or composition of such Matter, including without limitation any and all Disposal of any Matter in connection with the performance of the repair, replacement, rebuilding of the Premises, or any other construction work, and any and all remediation and Disposal of any Matter and any and all other remediation and Disposal (whether soil, upper aquifer or otherwise) necessary, required or appropriate as a result of, caused by, incidental to or triggered by such excavation, disturbance or removal of the Matter or arising therefrom, and the taking or doing of any and all other action or actions necessary, required or appropriate in connection therewith, shall be the sole and complete responsibility of the Lessee, including without limitation all costs and expenses thereof and any and all Environmental Damages, Environmental Requirements, claims, penalties and other expenses relating thereto. The foregoing obligations of the Lessee shall obtain and apply with full force and effect irrespective of the nature or source of any contaminant, pollutant, chemical, waste or other substance or whether any of the same is a Hazardous Substance. The Lessee shall perform all of the foregoing in accordance with and subject to all the terms, provisions, covenants and conditions of this Agreement.

(2) Without limiting the generality of any other term or condition of this Agreement, title to any Matter excavated or removed by the Lessee and not used at the Premises shall vest in the Lessee upon the excavation or removal thereof and all such Matter shall be delivered and deposited by the Lessee at the Lessee's sole cost and expense to a location off the Airport in accordance with the terms and conditions of this Agreement and all Environmental Requirements. The entire proceeds, if any, of the sale or other disposition of the Matter shall belong to the Lessee.

(3) In the event the Lessee discovers any Hazardous Substance in, on or under the Premises, the Lessee in reporting such Hazardous Substance shall direct such report to the attention of such individual at the subject Governmental Authority as the General Manager of the Airport shall require in order to assure consistency in the environmental management of the Airport, provided, however, that notwithstanding the foregoing, in no event shall the Lessee be required by this subparagraph (3) to violate any Environmental Requirement.

(4) Promptly upon final disposition of any Hazardous Substance from the Premises or the Airport, the Lessee shall submit to the Port Authority a "Certification of Final Disposal" stating the type and amount of material disposed, the method of disposal and the owner and location of the disposal facility. The format of such certification shall follow the requirements, if any, of Governmental Agencies having jurisdiction, as if the Port Authority were a private organization but the name of the Port Authority shall not appear on any certificate or other document as a generator or owner of such material.

(j) Survival of Obligations. 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 the letting of the Premises or any portion thereof.

(k) Waiver of Rights Against Third Parties. The terms and conditions of this Section are intended to allocate the obligations and responsibilities between the Lessee and the Port Authority, and nothing in this Section or elsewhere in this Agreement shall be deemed to limit, modify waive or otherwise alter the rights, claims and remedies which the Port Authority or the Lessee may have against third parties at law, equity or otherwise.

(l) Similarly Situated Persons. The Port Authority has advised the Lessee that it is the intention of the Port Authority with respect to the application of pollution prevention programs, "best management practices plans", management bulletins, permits and other voluntary programs adopted and agreements made by the Port Authority with any governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof constituting Environmental Requirements that the Port Authority will treat the Lessee in a similar manner as similarly situated Persons at the Airport.

Section 45. Schedule E and Schedule F.

The Lessee and the Port Authority hereby agree to all the terms, covenants and conditions set forth in the terms, covenants and conditions of the Standard Endorsements attached hereto, hereby made a part hereof and marked "Schedule E"; and 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 F"; and to all the terms, covenants and conditions set forth in the schedule on Local Business Enterprises Commitment attached hereto, hereby made a part hereof and marked "Schedule F"; all the provisions of Schedule E and Schedule F shall have the same force and effect as if set forth in full herein as part of these Terms and Conditions.

Section 46. Termination by the Lessee.

(a) If any one or more of the following events shall occur:

(1) If the Lessee shall be prevented from operating its air transportation system to and from the Airport by reason of its inability to use a substantial part or all of the runways and taxiways, as hereinafter defined:

(aa) For a period of longer than thirty (30) consecutive days, resulting from any condition of the Airport not due to the fault of the Lessee; or

(bb) For a period of longer than ninety (90) consecutive days, resulting from any order, rule or regulation of the Federal Aviation Administration, or other governmental agency having jurisdiction over the operations of the Lessee with which the Lessee is unable to comply at reasonable cost or expense; or

(cc) For a period of longer than ninety (90) consecutive days resulting from a permanent injunction issued by any court of competent jurisdiction, or

(2) The Port Authority shall fail to perform any of its obligations under this Lease within twenty (20) days after receipt of notice of default thereunder from the Lessee (except where fulfillment of its obligation requires activity over a period of time and the Port Authority shall commence to perform whatever may be required for fulfillment within twenty (20) days after the receipt of notice and continues such performance without interruption, except for causes beyond its control):

(3) Then upon the occurrence of any such event or at any time thereafter during the continuance of the condition, the Lessee may by twenty (20) days notice terminate the letting, such termination to be effective upon the date set forth in such notice and to have the same effect as if the term of the letting had on that date expired. No waiver by the Lessee of any default on the part of the Port Authority in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the Port Authority shall be or be construed to be a waiver by the Lessee of any other or subsequent default in performance of any of the said terms, covenants and conditions.

(b) The payment of rentals by the Lessee for the period or periods after the Lessee shall have a right to terminate under this Section but before any default of the Port Authority has been cured, shall not be or be construed to be a waiver by the Lessee of any such right of termination.

(c) 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 Lessee would have at law or in equity consequent upon any breach of this Agreement by the Port Authority, and the exercise by the Lessee of any right of termination shall be without prejudice to any other such rights and remedies.

(d) If the Lessee terminates the letting pursuant to the provisions of this Section then the Port Authority may at its option, pay to the Lessee the unamortized portion of the Lessee's investment in the premises. Such option shall be exercised by notice in writing to the Lessee by the Port Authority within sixty (60) days after the Lessee has given notice of termination. The failure of the Port Authority to exercise the said option shall impose no obligation upon it to relet the premises.

(e) If the Lessee terminates the letting pursuant to the provisions of this Section then the Port Authority may, at its option, pay to the Lessee the unamortized portion of the Lessee's investment in the premises. Such option shall be evidenced by notice in writing to the Lessee by the Port Authority within sixty (60) days after the Lessee has given notice of termination. If the Port Authority fails to exercise such option, then the Port Authority shall use its best efforts to relet the premises.

(f) If the Port Authority relets the premises prior to the date upon which this Lease would have expired except for such termination, then the net rent paid by the new tenant to the Port Authority (after deducting any costs or expenses incurred by the Port Authority in securing said new tenant and in complying with the terms of the Lease to such tenant, including but not limited to costs of alteration and decoration of such premises, in the event of termination pursuant to the provisions of this Section, and after deducting any costs or expenses incurred by the Port Authority the maintenance of said premises or for services furnished to the new tenant and after deducting the amounts which would have been payable as rent by the Lessee except for such termination) shall be paid over by the Port Authority to the Lessee until said amounts paid over equal the unamortized portion of the Lessee's investment in the premises as of the date of termination. The obligation of the Port Authority to pay over to the Lessee any net rent received from such new tenant shall continue only while such new tenant continues to pay rent and occupies such premises, and only until the Lessee's investment in such premises is amortized, and in no event is such obligation to pay over to continue beyond the date upon which this Lease would have expired but for such termination.

Section 47. Obligations in Connection with the Conduct of the Lessee's Business at the Premises

The Lessee shall:

(a) In connection with the payment of the Handling Percentage Rental and the Subletting Consent Rental, maintain in accordance with accepted accounting practice, for a period of seven (7) years after the receipt of each item of Gross Receipts or of any revenue from or the occurrence of any expense in connection with its subleasing activities and Air Cargo Services at the Premises, records and books of account recording all such transactions of the Lessee at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District, and which records and books of account shall show (i) the basis and all supporting documents for each and every statement required to be furnished hereunder by the Lessee, (ii) the revenues of whatever kind or nature from such operations, (iii) all revenues received by the Lessee from its customers, sublessees, patrons, invitees and all others using the Premises, whether in the form of rental payments or otherwise, and (iv) such other information as the Port Authority may request from time to time. The Lessee shall not be obligated to preserve any such books and records for more than seven (7) years as aforesaid unless they are material to litigation initiated within that time, in which event they shall be preserved until the final determination of the controversy.

(b) Permit in ordinary business hours during the term of this Agreement and for one year thereafter and during such further period as is mentioned in the preceding paragraph,

the examination and audit by the officers, employees and representatives of the Port Authority of such records and books of account and also any records and books of account of any company which is owned or controlled by the Lessee, or which owns or controls the Lessee if said company performs cargo services or subletting services anywhere in the Port of New York District.

(c) Permit the inspection by the officers, employees and representatives of the Port Authority, at any time and as often as it may consider necessary, of any equipment used by the Lessee, including but not limited to cash registers, and of any services being rendered and/or merchandise being sold or held for sale by the Lessee, and upon the request of the Port Authority, the Lessee shall demonstrate any activity being carried on by the Lessee hereunder;

(d) Without limiting any term or provision of this Agreement and without limiting the requirement for Port Authority prior written approval, and the issuance of a Port Authority permit if the Lessee conducts any service, operation or any other permitted use under the Lease through the use of a contractor which is not a Port Authority permittee and where the payments for any of the foregoing are made to such contractor rather than to the Lessee, said payments shall be deemed monies, revenues, receipts and income paid or payable to the Lessee for purposes of determining the Lessee's Gross Receipts; provided, however, that the foregoing shall not constitute a waiver by the Port Authority of any default or breach of this Agreement by the Lessee nor shall the foregoing grant or be deemed to grant any right or permission to the Lessee to use an independent contractor to perform any such service, operation or any other permitted use under the Lease or the doing of anything hereunder by an independent contractor or any other person or entity which is not a Port Authority permittee.

(e) 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 and Gross Sublease Rentals.

Section 48. Books and Records.

(a) In addition to and without limiting any term or provision of this Agreement, the Lessee shall keep in an office or offices in the Port of New York District, appropriate books and records showing (i) all matters with respect to the costs of the construction work; (ii) all matters which the Lessee is required to certify to the Port Authority pursuant to this Lease and (iii) any and all other matters concerning the Lessee's operations at the Airport with respect to which the Port Authority may reasonably need information to fulfill its obligations or exercise its rights under this Lease whether or not of the type enumerated above in this Section and whether or not an express obligation to keep books and records with regard thereto is expressly set forth elsewhere in this Lease. The Lessee shall not be obligated to preserve any such records for more than seven (7) years after the receipt of revenues or occurrences of charges or expenses hereunder unless they are material to litigation initiated within that time, in which event they shall be preserved until the final determination of the controversy. The Port Authority shall have the right to audit and inspect such books and records during regular business hours.

Section 49. Other Construction by Lessee.

Except as otherwise expressly provided in Section hereof entitled Construction Work by Lessee, 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 to or repairs to or replacements of, any structure now existing or built at any time during the letting, or install any fixtures (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, addition, repair or replacement 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 affect the removal or change and the Lessee shall pay the cost thereof to the Port Authority.

Without limiting the generality of the foregoing paragraph the Lessee acknowledges and agrees that any Notes and associated reference lines set forth on Exhibit A to this Agreement shall not constitute or be deemed to constitute or imply that approval of the Port Authority will be granted to any proposed construction by the Lessee nor shall the same grant or be deemed to grant any right or permission to the Lessee now or in the future to erect any structures, make any improvements or do any other construction in the premises, including but not limited to repairs to or replacements of, any structure now existing or built at any time during the letting or install any fixtures on the premises, including but not limited to paving, and that the provisions of the foregoing paragraph of this Section shall be read and construed as if there were no Notes and associated reference lines on Exhibit A and that any which were placed on such Exhibit are solely and exclusively for the benefit for the Port Authority.

Section 50. Exhibits.

The parties heretofore acknowledged that Exhibits A and B are attached hereto and hereby made a part of this Agreement.

Section 51. Method of Operations/ Air Cargo Handling.

With respect to the Lessee's Air Cargo Handling Services at the Premises and without limiting any term or provision of this Agreement:

(a) The Lessee hereby agrees: (i) 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, (ii) that it will furnish such services promptly, efficiently and adequately to meet all demands therefor at the Premises, (iii) that it will furnish such services on a fair, equal and non-discriminatory basis to all users thereof, and at charges which are fair, reasonable and non-discriminatory.

(b) The Lessee covenants and agrees that it will not enter into any agreement or understanding, whether or not binding, with any person, firm, association, corporation or other

entity, which will have the effect of fixing rates, of lessening or preventing competition, or of creating or tending to create a monopoly, at the Airport, relating to the services, products, or articles furnished or sold by the Lessee.

Section 52. Rules and Regulations and Airport Standards.

(a) *On the Premises.* 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, the Airport Standards Manual of the Port Authority, and such reasonable future rules and regulations and airport standards (including amendments and supplements to the existing Rules and Regulations and the Airport Standards Manual) 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, noise, sanitation, good order and the economic and efficient operation of the Airport. 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, regulation, or airport standard adopted by it at least ten (10) days before the Lessee shall be required to comply therewith.

(b) *Off of the Premises.* The use by the Lessee and its officers, employees, guests, invitees, sublessees, and those doing business with it, of any and all other portions of the Airport which it may be entitled to use under this Agreement (other than the Premises) shall be subject to the Rules and Regulations and Airport Standards Manual of the Port Authority in effect as of the Effective Date, and such reasonable future rules and regulations and airport standards (including amendments and supplements to the existing Rules and Regulations and the Airport Standards Manual) as the Port Authority may from time to time promulgate in the public interest and in the interest of health, safety, noise, sanitation, good order and the economic and efficient operation of the Airport.

(c) *Availability of Copies.* If a copy of the Rules and Regulations or the Airport Standards Manual 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.

Section 53. Condemnation.

(a) *Definitions.* The following terms, when used in this Section, shall, unless the context shall require otherwise, have the respective meanings given below:

“**Date of Taking**” shall mean the date on which title to all or any portion of the Premises, as the case may be, has vested in any lawful power or authority pursuant to a Taking.

“**Material Part**” with reference to the Premises or with reference to the Public Landing Area shall mean such portion of the Premises or the Public Landing Area as when so taken would leave remaining a balance of the Premises, due either to the area

so taken or the location of the part so taken in relation to the part not so taken, that would not under economic conditions and after performance by the Lessee of all covenants, agreements, terms and provisions contained herein or required by law to be observed or performed by the Lessee, permit the restoration of the Premises so as to enable the Lessee to operate, maintain and develop the Premises in accordance with the requirements of this Agreement, including without limitation the Section hereof entitled "*Use of Premises*", and to continue to carry on its normal operations at the Airport without using such part taken.

"**Taking**" shall mean the acquisition of a real property interest, through condemnation or the exercise of the power of eminent domain, by anybody having a superior power of eminent domain.

(b) *Permanent Taking of All or a Portion of the Premises and the Public Landing Area.*

(1) If a Taking is permanent and covers the entire Premises, then this Agreement shall, as of the Date of Taking, cease and determine in the same manner and with the same effect as if such date were the original date of expiration hereof.

(2) If a Taking is permanent but covers less than all of the Premises, this Agreement and the term hereof shall continue as to the portion of the Premises not so taken, and the letting as to the part of the Premises so taken shall, as of the Date of Taking, 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 provided in the Section hereof entitled "*Rental*".

(3) If a Taking is permanent and covers a Material Part of the Premises or of the Public Landing Area, then the Lessee and the Port Authority shall each have an option exercisable by notice given within ten (10) days after the Date of Taking to terminate the letting hereunder with respect to the Premises not taken, as of the Date of Taking, and such termination shall be effective as if the Date of Taking were the original date of expiration hereof. If the letting of the entire Premises is not terminated, the rentals shall be abated in accordance with the Section hereof entitled "*Rental*" after the date of surrender of possession of the portion of the Premises taken.

(4) If a Taking is permanent but covers less than the entire Premises and the letting of the portion of the Premises not taken is not terminated pursuant to subparagraph (b)(3) of this Section, the Lessee shall proceed diligently to restore the remaining part of the Premises not so taken so that the Premises shall be a complete, operable, self-contained architectural unit in good condition and repair and the proceeds of that portion of any award paid in trust to the Port Authority pursuant to Section 23.3 of the Basic Lease attributable to the improvements on the Premises not so taken shall be made available by the Port Authority to be used by the Lessee for that purpose. The Port Authority shall retain any excess of such award over the costs of the restoration.

(c) *Temporary Taking of All or Any Part of the Premises or the Public Landing Area.*

(1) If the temporary use of the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority pursuant to a Taking or by agreement between the Port Authority and such lawful power or authority, (w) the Lessee shall give prompt notice thereof to the Port Authority, (x) the Term shall not be reduced or affected in any way and (y) the Lessee shall continue to pay in full all rentals payable by the Lessee hereunder without reduction or abatement except as set forth in subparagraph (c)(2) below.

(2) If a temporary Taking covers all or a Material Part of the Premises or the Public Landing Area, then the Lessee and the Port Authority shall each have an option, exercisable by notice given within ten (10) days after the Date of Taking, to suspend the term of the letting of such of the Premises as are not so taken during the period of the Taking, and, in that event, the rentals for such portion of the Premises not so taken shall abate for the period of the suspension in accordance with the Section hereof entitled "*Rental*".

(d) *Lessee's Cooperation.*

The Lessee shall execute any and all documents that may be reasonably required in order to facilitate collection by the appropriate party of awards or payments covered by this Section.

(e) *Condemnation Claims by the Lessee.*

To the extent a condemnation claim by the Lessee shall not diminish any claim, award, compensation or damages of or to the City or of or to the Port Authority on account of any condemnation and such condemnation claim is permitted by Section 23 of the Basic Lease, the Lessee may file a claim in a condemnation proceeding.

Section 54. *Indemnity and Liability Insurance.*

(a) *Indemnification.*

(1) The Lessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses, including legal expenses, whether those of the Port Authority's Law Department or otherwise, incurred in connection with said defense) all claims and demands of third persons, just or unjust, including, but not limited to, claims and demands for death or personal injuries, or for property damages, arising out of a breach or default of the Lessee in performance or observance of 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 other acts or omissions of the Lessee, its officers, employees, guests, representatives, customers, contractors, invitees or 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.

(2) If so directed, the Lessee shall at its own expense defend any suit based upon any such claim or demand set forth in subparagraph (a)(1) of this Section (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, its Commissioner, officers, agents, or employees, 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.

(1) 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 additional insureds, including without limitation for premises-operations and completed operations, shall maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance, including premises-operations, completed operations, broad form property damage and contractual liability and covering bodily injury, including death, and property damage liability and broadened to include or equivalent separate policies covering aircraft liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below, and Comprehensive Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles and in lieu of the foregoing requirements pertaining to care, custody or control exclusions Warehousemen Legal Liability Insurance providing for coverage in not less than the limit set forth below. Said policy of Warehousemen Legal Liability Insurance shall cover and insure against such hazards and risks as are customarily insured under such a policy, shall cover the operations of the Lessee under this Agreement, shall be effective throughout the term of the letting, and shall contain an endorsement waiving any rights of subrogation of the insurer against the Port Authority. Each policy 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 any claim or action against the Port Authority by the Lessee as though the Port Authority were a named insured, but such endorsement shall not limit, vary, change or affect the protection afforded the Port Authority thereunder as an additional insured. In addition, each policy of Commercial General Liability Insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under paragraph (a) hereof.

Minimum Limit

Commercial General Liability Combined single limit per occurrence for death, bodily injury and property damage liability:	\$25,000,000.00
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Commercial Automobile Liability
(covering owned, non-owned and
hired vehicles)

\$25,000,000.00

Warehousemen's Legal Liability Insurance

\$2,000,000.00

(2) The Lessee shall also procure and maintain in effect, or cause to be procured and maintained in effect, Workers' Compensation Insurance and Employer's Liability Insurance in accordance with and as required by law and including coverage for asbestos exposure.

(3) 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 shall be included therein as an additional insured to the full extent of all such insurance in accordance with the terms and provisions hereof.

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

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

(6) As to the insurance required by the provisions of this Section, a certified copy of each policy or a certificate evidencing the existence thereof, or a binder, shall be delivered to the Port Authority on or before the Effective Date. 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 fifteen (15) 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

fifteen (15) 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 made available by the Lessee to the Port Authority for inspection and reproduction at an office of the Lessee within the Port of New York District; the Lessee shall comply with such notice or shall pay an amount not to exceed Two Thousand Five Hundred Dollars and No Cents (\$2,500.00) for the costs incurred by the Port Authority if it is required to send its employees or representatives to a location outside of the Port of New York District to examine such policies, including, without limitation, travel, food and lodging expenses incurred by such employees and representatives while away from the Port of New York District.

Section 55. Miscellaneous.

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

(b) 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.

(c) If any clause, provision, Section or Standard Endorsement of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision, Section or Standard Endorsement shall not affect any of the remaining provisions hereof.

(d) The fact that certain of the terms and provisions hereunder are expressly stated to survive the expiration or termination of the letting hereunder shall not 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.

(e) The parties agree that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be applicable to the interpretation of this Agreement or any amendments, addenda or supplements hereto or any Exhibits, Standard Endorsements, Schedules or other attachments to this Agreement.

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

(g) Lessee hereby represents and warrants to the Port Authority that the Lessee (x) is not, and shall not become, a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign 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 (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, and (y) is not engaging, and shall not engage, in any dealings or transactions with, and shall not engage in any dealings or transactions with (as determined by the Secretary of the Treasury of the United States of America), such persons or entities as may be prohibited by law, regulation or executive order. Lessee acknowledges that the Port Authority is entering into this 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 Agreement. In the event of any breach of the foregoing representations and warranties by Lessee, the Port Authority shall have the right, in addition to any and all other remedies provided under this Agreement or at law or in equity, to immediately terminate this Agreement upon written notice to Lessee. In the event of any such termination by the Port Authority, Lessee shall, immediately on receipt such termination notice, have no further right to access the Premises and shall turnover to the Port Authority all books and records in Lessee's possession or control with respect to the Premises and its services under this Agreement. Termination on the afore described basis shall be deemed a termination for cause.

(h) This agreement and any claim, dispute or controversy arising out of or under or related to this agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, without regard to choice of law principles (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law).

Section 56. Compliance with Governmental Requirements.

(a) The Lessee shall promptly comply with, observe and execute all laws and ordinances and governmental rules, regulations, orders, requirements and similar items, including without limitation all Environmental Requirements, now or at any time during the term of this Agreement which as a matter of law are applicable to or which affect (w) the Premises or the ground water thereunder, (x) the operations of the Lessee at the Premises or the Airport, (y) the occupancy and use of the Premises and/or (z) any Hazardous Substance which has migrated from or from under the Premises. The Lessee shall, in accordance with and subject to the provisions of Section hereof entitled "Construction Work by the Lessee" make any and all structural and non-structural improvements, alterations or repairs of the Premises and perform all remediation, containment and clean-up of Hazardous Substances required in order to fully satisfy the compliance obligations set forth herein.

(b) The Lessee shall procure at its own cost and expense 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 the letting hereunder all licenses, certificates, permits or other authorizations that may be necessary for the conduct of such operations, and subject to Section hereof entitled "Construction Work by the Lessee", shall make all modifications, alterations, installations, additions, repairs, replacements and improvements to the Premises to obtain and maintain such licenses, certificates, permits and authorizations. "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 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.

(e) The Lessee shall pay all license, certification, permit and examination fees, duties, excises, taxes and other governmental charges of every character, present and future, which may be assessed, levied, exacted or imposed on the Lessee's property, operations or occupancy hereunder or on any property whatsoever which may be received at the Premises or any rental or income therefrom including any penalties or interest thereon, and any taxes on personal property which may be assessed, levied, exacted, or imposed, and the Lessee shall make all applications and reports required in connection therewith. If any bond or other undertaking shall be required by any Governmental Authority in connection with any of the operations of the Lessee or any property received or exhibited by the Lessee at the Premises, the Lessee shall furnish the same and pay all expenses in connection therewith. The Lessee shall also pay any

and all corporate franchise and excise and other taxes, fees and other charges assessed, levied or imposed on the Lessee in respect of its corporate existence or its right to do business. No alleged or purported immunity or exemption from any taxes or fees described in this paragraph available to the Port Authority shall be grounds for or excuse non-payment thereof by the Lessee.

(f) The Lessee shall pay any and all real estate taxes or any other tax, assessment, levy, fee or charge, general or special, ordinary or extraordinary, foreseen or unforeseen, of whatever nature or kind which during the term of the letting hereunder may be levied, assessed, imposed or charged by any taxing or other Governmental Authority upon the Premises or upon occupancy of the Premises or any structure or improvement erected or made thereon or any appurtenances or any facilities of the Premises or upon the leasehold estate hereby created, or with respect to the rentals or Lessee's income therefrom in lieu of any tax, assessment, levy or charge. If any such tax, assessment, levy or charge, or payment in lieu thereof, is paid directly by the Port Authority, the Lessee shall pay the Port Authority therefor. If the taxing or governmental body imposing the tax or charge referred to herein does not segregate the amount thereof attributable to the Premises from the balance of the Airport then the Port Authority shall allocate the same equitably on the basis of a proportion between the total number of square feet in the Airport subject to such taxes and the total number of square feet in the Premises. The Lessee shall pay the allocable portion thereof as directed by the Port Authority either to the Port Authority or to the taxing or governmental body. The Lessee shall file all applications and furnish all information required in connection therewith and shall pay any penalties or interest thereon other than on amounts directly payable by the Port Authority as to which the Lessee has made prompt and timely payments to the Port Authority as required hereunder. The provisions of this paragraph (f) are included herein solely to set forth certain responsibilities as between the Lessee and the Port Authority and are not to be construed as a submission by the Port Authority to the imposition of any tax, assessment, levy, fee or charge aforesaid described or otherwise.

(g) 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 with (and thereafter discontinued), without limiting any of the foregoing provisions 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.

(h) The Port Authority and the State of New York Department of Environmental Conservation (herein called the "DEC") have heretofore as of February 22, 1994 entered into an Order of Consent (hereinafter called "the Consent") for the Airport. One of the conditions of the Consent is that the Port Authority shall perform a comprehensive environmental compliance audit of all operations at the Airport, including without limitation the operations of the Lessee at the premises. The Lessee acknowledges that it has received a draft copy of the findings of such audit of its operations at the premises (such findings as the same may be amended or supplemented by the final exit interview summary, letter of responsibility issued by DEC, or otherwise being hereinafter called "the Audit Findings"). Without limiting any other term or provision hereof, the Lessee understands and agrees that it shall be solely responsible for

compliance with the Audit Findings and shall relieve the Port Authority from and shall assume all responsibility for the Audit Findings, and shall at its sole cost and expense take all actions required, including without limitation, developing action plans and all corrective action required by the DEC, so that the Lessee is in compliance with all Audit Findings. Nothing herein shall be construed as a submission by the Port Authority to the application to itself of the Audit Findings, provided, however, no immunity or exemption of the Port Authority from the Audit Findings shall excuse the compliance therewith by the Lessee or shall be grounds for non-compliance therewith by the Lessee.

Without limiting the terms of Section hereof, entitled Indemnity and Liability Insurance the Lessee hereby assumes all risks arising out of or in connection with the Audit Findings and 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 their costs and expenses including without limitation penalties, fines, liabilities, settlements, damages, reasonable attorney and consultant fees, investigation and laboratory fees, clean-up and remediation costs, court costs and litigation expenses), all claims and demands, just or unjust, of third persons, including but not limited to those for personal injuries (including death), property damages, or environmental impairment, arising or alleged to arise out of or in any way related to, the failure of the Lessee to comply with the Audit Findings, whether such arise out of acts or omissions of the Lessee or of customers or contractors of the Lessee or of third persons or out of acts of God or the public enemy or otherwise including claims by the City of New York against the Port Authority pursuant to the provisions of the Basic Lease (as defined in this Lease) whereby the Port Authority has agreed to indemnify the City against claims.

If so directed the Lessee shall at its expense defend any suit based upon any such claim (even if such claim is groundless, false or fraudulent) and in handling such it shall not without first having express advance permission from the Port Authority raise any defense involving in any way the jurisdiction of the tribunal over the person 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.

Additionally, the Consent requires the Port Authority to prepare a "Good Environmental Practice Manual" for the Airport. From and after receipt of such Good Environmental Practice Manual the Lessee shall comply with all practices, standards, methods, and matters contained in such Manual."

(i) 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 57. Consents.

The Port Authority shall not act in an arbitrary or capricious manner when exercising its judgment or discretion pursuant to the provisions of this Agreement.

Section 58. Survival of the Obligations of the Lessee.

(a) *Obligations Survive Termination.* In the event that the letting shall have been terminated in accordance with a notice of termination as provided in the Section hereof entitled "Termination by the Port Authority", 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 hereof entitled "Right of Re-entry", then 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 or 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) *Amount of Damages for Rentals.* The amount of damages for rentals for the period of time subsequent to termination or cancellation (or re-entry, regaining or resumption of possession) shall be the sum of the following:

(1) The amount of the total of all annual Hangar No. 6 Rentals less the installments thereof payable prior to the effective date of termination, except that the credit to be allowed for the installments 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;

(2) The amount of the total of all annual Building No. 262 Rentals less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installments 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

(3) On account of the Lessee's obligation to pay the Additional Rental, the amount of all unpaid Additional Rental.

(4) An amount equal to all expenses reasonably incurred by the Port Authority in connection with such termination, cancellation, re-entry, regaining or resumption of possession, the restoration of the Premises (on failure of the Lessee to restore), the reletting of the Premises, the care and maintenance of the Premises during any period of vacancy of the Premises, the foregoing to include without limitation legal expenses (including but not limited to the cost to the Port Authority of in-house legal services), brokerage fees and commissions, repairing and altering the Premises and putting the Premises in order (such as but not limited to cleaning and decorating the Premises).

(5) On account of the Lessee's obligation to pay the Subletting Consent Rental, an amount equal to (Ex. 2.a.) of Gross Sublease Rentals of the Lessee, which Gross Sublease Rentals would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption or possession); and for the purpose of calculation hereunder (i) the said amount of Gross Sublease Rentals shall be derived by multiplying the number of days in the balance of the term originally fixed by the daily average of the Lessee's Gross Sublease Rentals; (ii) the daily average of the Lessee's Gross Sublease Rentals shall be the Lessee's total actual Gross Sublease Rentals during the twelve months immediately preceding said termination or cancellation (or re-entry, regaining, or resumption of possession) during which the premises were open and in operation and in which no abatement was in effect divided by 365;

(6) On account of the Lessee's obligation to pay the Handling Percentage Rental, an amount equal to (Ex. 2.a.) of Gross Receipts of the Lessee, which Gross Receipts would have been received by the Lessee during the balance of the term if there had been no termination or cancellation (or re-entry, regaining, or resumption of possession); and for the purpose of calculation hereunder (i) the said amount of Gross Receipts shall be derived by multiplying the number of days in the balance of the term originally fixed by the daily average of the Lessee's Gross Receipts; (ii) the daily average of the Lessee's Gross Receipts shall be the Lessee's total actual Gross Receipts during the twelve months immediately preceding said termination or cancellation (or re-entry, regaining, or resumption of possession) during which the Premises were open and in operation and in which no abatement was in effect divided by 365.

(c) Notwithstanding anything to the contrary herein contained, all of the obligations of the Lessee under this Lease with respect to Environmental Damages and Environmental Requirements shall survive the expiration or termination of this Agreement.

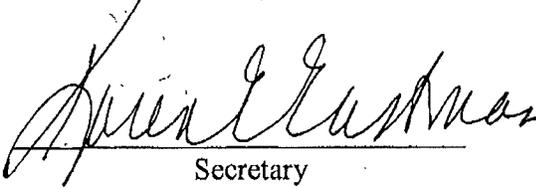
Section 58. Entire Agreement.

(a) This Agreement consists of the following: Sections 1 through 58 and Exhibit A, Exhibit B, Exhibit C and Schedule E and Schedule F attached hereto. 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, and intending to be legally bound, the Port Authority and the Lessee have executed these presents as of the date first written above.

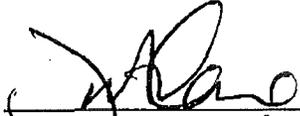
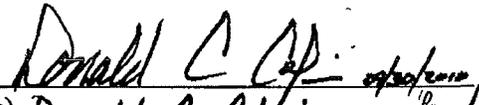
**THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY**

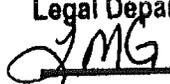
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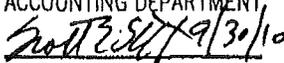

Secretary
(name) 
(title) David Kagan
Assistant Director
Business, Properties & Airport Development

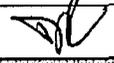
FEDERAL EXPRESS CORPORATION

ATTEST:


(name) JAMES A. DAVIS
(title) Assistant Secretary
 
(name) Donald C. Colvin
(title) VP PROPERTIES & FACILITIES
(Seal)

Approved
Legal Department
 9/3/2010

APPROVED
ACCOUNTING DEPARTMENT
 9/30/10

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

EXEMPTION (4) – DRAWINGS OF NON-PUBLIC AREAS

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 Contractor shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E with the Lessee (as defined in the Agreement to which this Schedule E is attached). 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 ten (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 non-working 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 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 non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least every six months, of all supervisors' adherence to and performance under the Contractors' EEO policies and affirmative action obligations.

(i) Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (h) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under

Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

(j) A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation hereof if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation hereof if a specific minority group of women is underutilized).

(k) The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.

(l) The Contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

(m) The Contractor shall carry out such sanctions and penalties for violation of this clause including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered by the Lessee. Any Contractor who fails to carry out such sanctions and penalties shall be in violation hereof.

(n) The Contractor, in fulfilling its obligations hereunder shall implement specific affirmative actions steps, at least as extensive as those standards prescribed in paragraph (h) hereof so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of these provisions, the Lessee shall proceed accordingly.

(o) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanical apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work is performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

(p) Nothing herein provided shall be construed as a limitation upon the application of any laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(q) Without limiting any other obligation, term or provision under the 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/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires that 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 purpose 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.

Initialed:


For the Port Authority



DC Donald C. Calvin Donald C. Calvin
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, as hereinafter defined, 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.

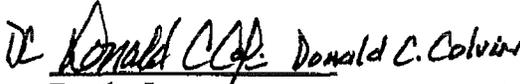
(4) It is specifically understood and agreed that the requirements

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

 
02/20/2010