

**From:** douglas@deccanvalue.com  
**Sent:** Wednesday, July 31, 2013 2:51 PM  
**To:** Duffy, Daniel  
**Cc:** Torres Rojas, Genara; Van Duyne, Sheree; Qureshi, Ann  
**Subject:** Freedom of Information Online Request Form

Information:

First Name: Douglas  
Last Name: Holm  
Company: Deccan Value Investors  
Mailing Address 1: One Fawcett Place  
Mailing Address 2:  
City: Greenwich  
State: CT  
Zip Code: 06830  
Email Address: [douglas@deccanvalue.com](mailto:douglas@deccanvalue.com)  
Phone: 2039837211  
Required copies of the records: No

List of specific record(s):

The last two leases contracts between HMSHost possibly filed under Autogrill and John F Kennedy Airport. The leases grant HMSHost Autogrill the right to operate restaurants and possibly other stores within the airport in return for remuneration.

**THE PORT AUTHORITY OF NY & NJ**

*FOI Administrator*

August 9, 2013

Mr. Douglas Holm  
Deccan Value Investors  
One Fawcett Place  
Greenwich, CT 06830

Re: Freedom of Information Reference No. 14176

Dear Mr. Holm:

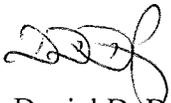
This is a response to your July 31, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of the last two leases/contracts between HMSHost possibly filed under Autogrill and John F Kennedy Airport. The leases grant HMSHost Autogrill the right to operate restaurants and possibly other stores within the airport in return for remuneration.

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/14176-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) and (4) of the Code.

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

Very truly yours,



Daniel D. Duffy  
FOI Administrator

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

: For Port Authority Use Only

: Permit Number: AYD-716

**JOHN F. KENNEDY INTERNATIONAL AIRPORT  
PRIVILEGE PERMIT**

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

- PERMITTEE:** HOST SERVICES OF NEW YORK, INC., a corporation formed under the laws of the State of Delaware
- PERMITTEE'S ADDRESS:** 6905 Rockledge Drive  
Bethesda, Maryland 20817
- PERMITTEE'S REPRESENTATIVE:** ~~Christopher Townsend, Vice President~~ *General Counsel* <sup>gwc</sup> <sub>AS</sub>
- PRIVILEGE:** To provide such services as are described in Special Endorsement No. 1 hereof (the "Authorized Service"), and for no other purpose or purposes whatsoever.
- FEES:** As set forth in Special Endorsement Nos. 3 and 4 hereof
- EFFECTIVE DATE:** March 5, 2007
- EXPIRATION DATE:** November 29, 2017
- REQUIRED SECURITY DEPOSIT:** \$50,000.00
- INSURANCE REQUIREMENTS:** \$2,000,000.00 minimum limit Commercial General Liability  
\$2,000,000.00 minimum limit Liquor Liability
- ENDORSEMENTS:** 4.1, 4.5, 6.1, 10.2, 14.1, 29, Special Endorsements and Concession Agreement

Dated: As of March 4, 2007

Consented and agreed to:  
**DELTA AIR LINES, INC.**

By: *John W. Boatright*  
Name John W. Boatright  
(Title) President

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

By: *[Signature]*  
Name KYSA C. SULLY  
(Please Print Clearly)  
(Title) Asst Director, C.C.A.S.

**HOST SERVICES OF NEW YORK, INC., Permittee**

By: *Laura A. Babin*  
Name Laura A. Babin  
Secretary  
(Please Print Clearly)  
(Title) President

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
<u>SB</u>	<u>1/1</u>

MG/dmt

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## TERMS AND CONDITIONS

### 1. Definitions:

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

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

(b) “*City*” shall mean the City of New York.

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

(d) “*Effective Date*” shall mean that date appearing in Item 6 on the first page of this Permit as the same may be modified pursuant to the provisions of Section 2(a) hereof.

(e) “*Environmental Requirement*” shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, “best management practices plans”, and other programs adopted and agreements made by the Port Authority (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; and

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

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

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

(h) “*Gross Receipts*” shall mean all monies paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other revenues of any type arising out of or in connection with the Permittee’s operations at the Airport; provided, however, that any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee, shall be excluded therefrom. For avoidance of doubt, gross receipts shall include retail display allowances or other promotional incentives (collectively, “RDAs”) (the gross amounts thereof, not net of expenses) received from vendors, suppliers or manufacturers and other revenues of any type arising out of or in connection with the Permittee’s operations at the Terminal, including, without limitation, the following: proceeds from the sale of gift and merchandise certificates (but only when such certificates are treated as a sale from the concession area pursuant to the Permittee’s record-keeping system), mail, catalogue (as further explained below), closed circuit television, computer, other electronic or telephone orders received or filled; deposits not refunded to purchasers; orders taken at the concession area (although such orders may be filled elsewhere); sales through vending machines or other devices; and all insurance proceeds received due to loss of gross earnings under the Permittee’s business interruption insurance coverage. Catalogue sales generated from catalogues distributed from the concession area will be included in the Permittee’s calculation of gross receipts. For this purpose, catalogues displayed in the concession area will include a tracking number unique to the concession area that allows for an auditable method for tracking such sales. A “sale” shall be treated as consummated for the purposes of this definition, and the entire amount of the sales price shall be included in gross receipts and deemed received at the time of determination of the amount due for each transaction, whether for cash, credit or otherwise, and not at the time of billing or payment. No deduction shall be allowed for uncollected or uncollectible credit accounts or “bad” checks.

Gross receipts shall not include (a) the amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by a purchaser and accepted by the Permittee; (b) the proceeds of sale of fixtures, equipment or other items of property which are not stock in trade and not in the ordinary course of the Permittee’s business; (c) revenues in the form of refunds from, or the value of merchandise, services, supplies, or equipment returned to, vendors, shippers, suppliers or manufacturers including volume discounts received from the Permittee’s vendors, suppliers, or manufacturers and rebates that reduce the Permittee’s cost of goods, excluding RDAs and other promotional incentives, which are expressly included in gross receipts; (d) the sale or transfer in bulk of the inventory of the Permittee to a purchaser of all or substantially all of the assets of the Permittee in a transaction not in the ordinary course of the Permittee’s business; and (e) any revenues from the

sale of pre-paid telephone calling card which are subject to a separate agreement with the Port Authority.

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

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

(k) “*Post-Termination Period*” shall have the meaning ascribed to it in paragraph (a) of Section 29 hereof.

2. Effective Date, Termination and Revocation:

(a) The permission hereby granted shall take effect upon the Effective Date. Notwithstanding Item 6 appearing on the first page of this Permit, the Effective Date of this Permit shall be that date the Permittee commenced any of the activities permitted by this Permit. The Permittee in executing this Permit represents that the Effective Date appearing in Item 6 on the first page of this Permit is the date the Permittee commenced any of the activities permitted by this Permit. If the Port Authority determines by audit or otherwise that the Permittee commenced any of the activities permitted by this Permit prior to said effective date, the Effective Date of this Permit shall be the date the Permittee commenced any of the activities permitted by this Permit and all obligations of the Permittee under this Permit shall commence on such date including without limitation the Permittee’s indemnity obligations and obligations to pay fees.

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

(c) In the event the Port Authority exercises its right to revoke this Permit for any reason other than “without cause”, the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation, including without limitation 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

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revocation of this Permit including, without limitation, legal proceedings initiated by the Port Authority to exercise its revocation rights and to collect all amounts due and owing to the Port Authority under this Permit.

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

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

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

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

(e) (i) If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Permittee at the Airport or against any operations of the Permittee under this Permit, whether or not the same is due to the fault of the Permittee and whether or not caused by the employees of the Permittee, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in curtailment or diminution of the privileges to be performed hereunder by the Permittee or to interfere with or affect the operation of the Airport by the Port Authority or to interfere with or affect the operations of lessees, licensees, permittees or other users of the Airport, the Port Authority shall have the right at any time during the continuance thereof to suspend the operations of the Permittee under this Permit and/or to revoke this Permit.

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

(iii) Prior to the exercise of the right of suspension by the Port Authority, it shall give the Permittee notice thereof, which notice may be oral. The Permittee shall not perform its operations authorized by this Permit during the period of the suspension. The period of suspension shall end not more than twenty-four (24) hours after the cause thereof has ceased or been cured and the Permittee shall notify the Port Authority of such cessation or cure.

(iv) The rights of suspension and revocation as hereinbefore set forth may be exercised by the Port Authority prior to the Effective Date set forth in Item 6 on the first page of this Permit. No exercise by the Port Authority of its rights granted to it in paragraph (e) of this Section shall be deemed to be a waiver of any other rights of revocation contained in this Permit

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

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

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

3. Exercise of Rights:

(a) The rights granted hereby shall be exercised

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

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

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

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

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

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

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

(c) Neither this Permit nor anything contained herein, shall be deemed to grant any rights in the Permittee to use and occupy any land, building space or other area at the Airport or shall be deemed to have created any obligation on the part of the Port Authority to provide any such land, space or area to the Permittee.

(d) Neither the execution and delivery of this Permit nor any act done pursuant thereto shall create between any terminal operator, lessee or other occupant of land at the Airport including but not limited to the Permittee, on one hand, and the Port Authority on the other hand the relationship of bailor and bailee, or any other relationship or any legal status which would impose upon the Port Authority with respect to any personal property, such as but not limited to, aircraft cargo or baggage, owned and/or handled by the Permittee any duty or obligation whatsoever. The Permittee expressly agrees that the Port Authority shall have no liability with respect to any aircraft cargo or baggage or any other property of the Permittee or of any other Person left anywhere on the Airport.

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

(f) Nothing contained in this Permit shall constitute permission to the Permittee to park or store equipment or personal property at any location or area at the Airport.

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

(h) It is understood that any and all privileges granted hereunder to the Permittee are non-exclusive and shall not be construed to prevent or limit the granting of similar privileges at the Airport to another or others, whether by this form of permit or otherwise, and neither the granting to others of rights and privileges granted hereunder nor the existence of agreements by which similar rights and privileges have been previously granted to others shall constitute a violation or breach of the permission herein granted.

(i) The Permittee, its employees, invitees and others doing business with it shall have no right hereunder to park vehicles within the Airport.

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

4. Fees:

(a) The Permittee agrees to pay to the Port Authority, in accordance with Item 5 appearing on the first page of this Permit, a percentage fee.

(b) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, shall be sent to the following address:

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

or made via the following wire transfer instructions:

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

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

(c) If and to the extent the full fair market value of any sale, service or other item provided by the Permittee is not charged to or payable by the customer, then the fair market value thereof as determined by the Port Authority shall be included in Gross Receipts.

(d) Without limiting any other provisions of this Permit regarding Gross Receipts, in those instances where the Permittee provides any services or goods along with other services and goods to the same Person (including without limitation those instances where a service is part of or is included within a group of other services and rendered for a single price, and where a service is performed by the Permittee pursuant to agreement for the exchange of services or goods) the Permittee agrees that the value ascribed to the performance of such service by the Permittee shall be the fair and reasonable value thereof as determined by the Port Authority.

(e) Without limiting the requirement for Port Authority approval, if the Permittee conducts any privilege or any portion thereof through the use of a contractor or other third party 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 Permittee, said payments shall be deemed amounts, monies, revenues, receipts and income paid or payable to the Permittee for purposes of determining the Permittee's Gross Receipts, provided, however, that the foregoing shall not grant or be deemed to grant any right or permission to the Permittee to use an independent contractor or other third party to perform any privilege or portion thereof or the doing of anything hereunder by an independent contractor or other third party.

(f) Notwithstanding that the fee hereunder is measured by a percentage of Gross Receipts, no joint venture or partnership relationship between the parties hereto is created by this Permit.

(g) To the extent that the Permittee has not already done so at the time of execution of this Permit and without limiting the generality of any other term or provision hereof, the Permittee agrees to submit monthly statements of Gross Receipts as provided in the Special Endorsements and to pay, at the time of execution and delivery of this Permit to the Port Authority, all fees and other amounts due under this Permit for the period from the Effective Date to the time of execution and delivery of this Permit by the Permittee.

(h) Without limiting any other provision of this Permit, it is hereby specifically understood that the failure to set forth all the classes of Persons, all of the locations served or all of the types of services or activities performed by the Permittee in its exercise of the privileges granted hereunder as of the Effective Date, or the failure to, by appropriate supplement, revise this Permit to reflect any additional classes of Persons, locations served, or services or activities performed by the Permittee subsequent to said Effective Date, shall not affect the inclusion in Gross Receipts hereunder of the amounts, monies, revenues, receipts and income received or receivable by the Permittee in its operations, and the same shall be so included. The foregoing shall not constitute Port Authority consent or be deemed to imply that the necessary Port Authority consent (to be reflected in a supplement to the Permit) with respect to such additional classes of Persons, locations, services or activities will be given.

(i) Without limiting any term or provision of this Permit, in the event the Permittee performs (x) any service, other than the Authorized Service at the Airport, or (y) any service (including the Authorized Service) at any other Port Authority facility, whether such performance is the subject of a written agreement by and between the Port Authority and the Permittee, the Permittee hereby agrees that it will pay to the Port Authority any and all fees and/or charges applicable to such service. The Permittee also agrees that, at the request of the Port Authority, it will enter into the appropriate agreement with the Port Authority providing permission for the Permittee to perform such service.

5. Security Deposit:

(a) (i) Provided that an amount is set forth in Item 8 on the first page of this Permit (the "*Required Security Deposit*"), and, provided, further, the amount of said Required Security Deposit is less than \$20,000.00, upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the Required Security Deposit, either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the Required Security Deposit is returned to the Permittee, any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the Required Security Deposit, or any part thereof, in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the Required Security Deposit itself shall cure any default or breach of this Permit on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the Required Security Deposit to the sum specified in Item 8 on the first page of this Permit. In the event that the Port Authority shall at any time or times so use the Required

Security Deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the amount set forth in Item 8 on the first page of this Permit, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the Required Security Deposit at all times to the full amount above stated in Item 8 on the first page of this Permit, and such additional deposits shall be subject to all the conditions of this Section. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the Required Security Deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the Required Security Deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(ii) In lieu of the Required Security Deposit made in the form described above in paragraph (a)(i), the Permittee may at any time during the effective period of the permission granted under this Permit offer to deliver to the Port Authority, as security for all obligations of the Permittee under this Permit, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority in the amount of the Required Security Deposit. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission granted under this Permit and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit, the Permittee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by security in accordance with paragraph (a)(i) of this Section or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security under paragraph (a)(i) of this Section. Failure to provide such a letter of credit at any time during the effective period of the permission granted under this Permit, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of this Permit on the part of the Permittee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Permittee made thereafter, the Port Authority will return the Required Security Deposit, if any, theretofore made under and in accordance with the provisions of paragraph (a)(i) of this Section. The Permittee shall have the same rights to receive such Required Security Deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the effective period of the permission granted under this Permit and fulfillment of the obligations of the Permittee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

(b) Provided that a Required Security Deposit amount is set forth in Item 8 on the first page of this Permit, and, provided, further, the amount of said Required Security Deposit is equal to or greater than \$20,000.00, upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of the Permit on its part to be fulfilled, kept, performed or observed, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority, and payable in the Port of New York District in the amount of the Required Security Deposit. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective period of the permission granted under this Permit and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter explaining the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the Permittee agrees that unless the letter of credit is replaced by another letter of credit satisfactory to the Port Authority by a date not later than twenty (20) days prior to the effective date of cancellation, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective period of the permission granted under this Permit valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of this Permit on the part of the Permittee. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee, upon demand by the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to the amount of the Required Security Deposit. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to be a waiver of any default by the Permittee under the terms of this Permit, and all remedies under this Permit and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Permittee, to adjust the amount of the Required Security Deposit. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, or an amendment to, or a replacement of, the letter of credit providing for such adjusted amount of the Required Security Deposit, as the case may be, and such additional cash and/or bonds or adjusted (or replaced) letter of credit shall thereafter constitute the Required Security Deposit required under this Section.

(d) If the Permittee is obligated by any other agreement to maintain a security deposit with the Port Authority to insure payment and performance by the Permittee of all fees, rentals, charges and obligations which may become due and owing to the Port Authority arising from the Permittee's operations at the Airport pursuant to any such other agreement or otherwise, then all

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

6. Permittee's Operations:

(a) The Permittee shall provide to the Port Authority, upon request of the Port Authority from time to time, such information and data in connection with the permission granted hereunder as the Port Authority may request and shall, if so requested by the Port Authority, make periodic reports thereof to the Port Authority utilizing such forms as may be adopted by the Port Authority for such purpose.

(b) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with the permission granted hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

(c) The Permittee shall, at all times that areas of the Airport are being used for the privileges permitted hereunder, maintain said areas in a clean and orderly condition and appearance. The Permittee shall promptly wipe up any oil, gasoline, grease, lubricants and other inflammable liquids and substances and any liquids and substances having a corrosive or detrimental effect on the paving or other surface of the ramps or other areas upon which it performs the privileges authorized by this Permit resulting from its operations hereunder. The Permittee shall repair, replace, repave or rebuild, or at the Port Authority's election, the Permittee shall pay to the Port Authority the cost to the Port Authority of repairing, replacing, repaving or rebuilding, all or any part of the ramps or other areas upon which it performs the privileges authorized by this Permit which may be damaged or destroyed by such oil, gasoline, grease, lubricants or other liquids or substances or by any other act or omission of the Permittee or its employees, except for reasonable wear and tear arising out of its operations thereon.

(d) A principal purpose of the Port Authority in granting the permission under this Permit is to have available at the Airport, the privileges which the Permittee is permitted to render hereunder. The Permittee agrees that it will conduct a first-class operation and will furnish all fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials and other facilities and replacements necessary or proper therefor, and keep the same in a first-class operating condition at all times.

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

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

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

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

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, and the Airline (as defined in Special Endorsement No. 1 of this Permit), its directors officers, employees, agents and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

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

(c) Without limiting any other term or provision hereof, the Permittee shall indemnify the Port Authority and hold it harmless against all claims and demands of third Persons for damage to any aircraft cargo or baggage or any other property handled or delivered pursuant to the permission granted by this Permit.

(d) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand set forth in paragraphs (a), (b) and (c) above (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

8. Liability Insurance:

(a) The Permittee, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums during the effective period of the Permit on a policy or policies of Commercial General Liability Insurance, including premises-operations, completed operations and products liability, and covering bodily-injury liability, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the minimum limit set forth in Item 9 on the first page of this Permit. Without limiting the foregoing, the Permittee shall maintain Workers' Compensation and Employers Liability Insurance in accordance with the Permittee's statutory obligations under the applicable State Workers' Compensation Law for those employees of the Permittee employed in operations conducted pursuant to this Permit at or from the Airport. In the event the Permittee maintains the foregoing insurance in limits greater than aforesaid, the Port Authority shall be included therein as an additional insured, except for the Workers' Compensation and Employers Liability Insurance policies, to the full extent of all such insurance in accordance with all terms and provisions of this Permit.

(b) Each policy of insurance, except for the Workers' Compensation and Employers Liability Insurance policies, shall also contain an ISO standard "separation of insureds" clause or a cross liability endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by a third person shall pertain and apply with like effect with respect to any claim or action against the Permittee by the Port Authority and any claim or action against the Port Authority by the Permittee, as if the Port Authority were the named insured thereunder, but such clause or endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. Each policy of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Permittee under Section 7 of the Terms and Conditions of this Permit.

(c) 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 effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance,

in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

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

(e) A certified copy of each policy or a certificate or certificates of insurance evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of this Permit by the Permittee to the Port Authority. In the event any binder is delivered it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate of insurance. Any renewal policy shall be evidenced by a renewal certificate of insurance delivered to the Port Authority at least seven (7) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any insurance policy shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policy shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of each policy shall be delivered to or made available for inspection by the Port Authority.

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

9. Special Endorsements:

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

10. No Waiver:

No failure by the Port Authority to insist upon the strict performance of any agreement, term or condition of this Permit or to exercise any right or remedy consequent upon a breach or default thereof, and no extension, supplement or amendment of this Permit during or after a breach thereof, unless expressly stated to be a waiver, and no acceptance by the Port Authority of fees, charges or other payments in whole or in part after or during the continuance of any such breach or default, shall constitute a waiver of any such breach or default of such agreement, term or condition. No agreement, term or condition of this Permit to be performed or complied with

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by the Permittee, and no breach or default thereof, shall be waived, altered or modified except by a written instrument executed by the Port Authority. No waiver by the Port Authority of any default or breach on the part of the Permittee in performance of any agreement, term or condition of this Permit shall affect or alter this Permit but each and every agreement, term and condition thereof shall continue in full force and effect with respect to any other then existing or subsequent breach or default thereof.

11. Removal of Property:

The personal property placed or installed by the Permittee at the Airport shall remain the property of the Permittee and must be removed on or before the expiration, revocation, cancellation or termination of the permission hereby granted, whichever shall be earlier. Without limiting the terms and provisions of paragraph (g) of Section 18 hereof, any such property remaining at the Airport after the effective date of such expiration, revocation, cancellation or termination shall be deemed abandoned by the Permittee and may be removed and disposed of by the Port Authority in any manner it so determines in its sole discretion and all the proceeds of any removal or disposition shall be retained by the Port Authority for its account and all costs and expenses of such removal and disposition shall be paid to the Port Authority by the Permittee when billed.

12. Permittee's Representative:

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

13. Notices:

Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices given by the Port Authority to the Permittee shall be validly given if sent by registered or certified mail addressed to the Permittee at the address specified on the first page hereof or at the latest address that the Permittee may substitute therefor by notice to the Port Authority, or left at such address, or delivered to the Permittee's representative. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered or certified mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003 or at such other address as the Port Authority shall hereafter designate by notice to the Permittee. If mailed, the notices herein required to be given shall be deemed effective and given as of the date of the certified or registered mailing thereof.

14. Late Charges:

If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority including without limitation any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to

exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit, including without limitation the Port Authority's rights set forth in Section 2 of these Terms and Conditions, or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Section shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

(a) This Permit is subject to the requirements of the U.S. Department of Transportation's regulations, Title 49, Code of Federal Regulations, Part 23. The Permittee agrees that it shall not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement or other agreement covered by Title 49, Code of Federal Regulations, Part 23. Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any space at the Airport and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any space at the Airport and the furnishing of any service thereon by the Permittee, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any space at the Airport and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession covered by Title 49, Code of Federal Regulations, Part 23 that it enters into and cause those Person or Persons to similarly include the provisions in further agreements and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

(c) The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. Without limiting any other term or provision hereof or any other rights or remedies of the Port Authority hereunder or at law or equity, in the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.

(d) Without limiting any other term or provision hereof, the Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third Persons, including the United States of America, resulting from the Permittee's noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.

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

16. Affirmative Action:

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

The Permittee acknowledges that Federal rules and regulations in connection with the subject matter of this Section may be amended from time to time and, in connection therewith, the Port Authority may modify the terms and provisions of this Section so as to assure compliance with such Federal rules and regulations. The Permittee hereby acknowledges and agrees that it shall be bound by all modifications made by the Port Authority to the terms and provisions of this Section, as described in the preceding sentence, upon written notice from the Port Authority containing such modifications.

17. Rules and Regulations:

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

give notice to the Permittee of every rule and regulation hereafter adopted by it at least five (5) days before the Permittee shall be required to comply therewith.

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of paragraph (f) of Section 17 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided,

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however, the forgoing shall not apply to releases and discharges which are in compliance with the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

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

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

(ii) The Permittee shall use its best efforts to resolve any such complaints, troubles, disputes or controversies.

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

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

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

(g) No signs, posters or similar devices shall be erected, displayed or maintained at the Airport without the written approval of the General Manager of the Airport; and any not approved by such General Manager or not removed by the Permittee upon the termination, revocation, expiration or cancellation of this Permit may be removed by the Port Authority at the expense of the Permittee.

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

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

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

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

19. Law Compliance:

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

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

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

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

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

20. Trademarks and Patent Infringement:

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

21. Inspection:

The Port Authority shall have the right at any time and as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Airport or to be placed or brought on the Airport, and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

(b) The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Airport and Airways Development Act of 1970, as the same has been amended and supplemented, and under prior federal statutes which said Act superseded and the Port Authority may in the future apply for and receive further such grants. In connection therewith the Port Authority has undertaken and may in the future undertake certain obligations respecting its operation of the Airport and the activities of its contractors, lessees and permittees thereon. The performance by the Permittee of the promises and obligations contained in this Permit is therefore a special consideration and inducement to the issuance of this Permit by the Port Authority, and the Permittee further agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the Permittee of its obligations under this Permit, the Permittee will promptly comply therewith at the time or times, when and to the extent that the Port Authority may direct.

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the

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Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

(b) The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other Person who may furnish services at the Airport similar to those furnished hereunder which will have the effect of (i) fixing rates and charges to be paid by users of the services; (ii) lessening or preventing competition between the Permittee and such other furnishers of services; or (iii) tending to create a monopoly on the Airport in connection with the furnishing of such services.

24. Business Development and Records:

(a) In connection with the exercise of the privileges granted hereunder, the Permittee shall:

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

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

(iii) maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of the Permittee at, through, or in anywise connected with the Airport, which records and books of account shall be kept at all times within the Port of New York District, and shall separately state and identify the Authorized Service and all other services performed at the Airport, and;

(iv) cause any company which is owned or controlled by the Permittee, or any company which owns or controls the Permittee, if any such company performs services similar to those performed by the Permittee (any such company being hereinafter called an "Affiliate" and all such companies being hereinafter called the "Affiliates") to maintain, in English and in accordance with accepted accounting practice, during the effective period of this Permit, for one (1) year after the expiration or earlier revocation, cancellation or termination thereof, and for a further period extending until the Permittee shall, upon request to the Port Authority, receive written permission from the Port Authority to do otherwise, full and complete records and books of account (including without limitation all agreements and all source documents such as but not limited to original invoices, invoice listings, timekeeping records, and work schedules) recording all transactions of each Affiliate 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 shall separately state and identify each activity (including without limitation the Authorized Service) performed at the Airport;

(v) permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit, for one (1) year thereafter, and during such further period as is mentioned in the preceding paragraphs (a)(iii) and (a)(iv), the examination and audit by the

officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts all agreements, and all source documents) and all the records and books of account of all Affiliates (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification, determination or calculation of Gross Receipts, all agreements, and all source documents) (all of the foregoing records and books described in this paragraph (a)(v) being hereinafter collectively referred to as the "*Books and Records*") within ten (10) days following any request by the Port Authority from time to time and at any time to examine and audit any Books and Records;

(vi) permit the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Permittee, including but not limited to the equipment described in paragraph (a)(vii) below; and

(vii) install and use such cash registers, sales slips, invoicing machines and any other equipment or devices, including without limitation computerized record keeping systems, for recording orders taken, or services rendered, as may be appropriate to the Permittee's business and necessary or desirable to keep accurate records of Gross Receipts, and without limiting the generality of the foregoing, for any privilege involving cash sales, install and use cash registers or other electronic cash control equipment that provides for non-resettable totals.

(b) Without implying any limitation on the right of the Port Authority to revoke this Permit for cause for breach of any term, condition or provision thereof, including but not limited to, breach of any term, condition or provision of paragraph (a) above, the Permittee understands that the full reporting and disclosure to the Port Authority of all Gross Receipts and the Permittee's compliance with all the provisions of paragraph (a) above are of the utmost importance to the Port Authority in having entered into the percentage fee arrangement under this Permit. In the event any Books and Records are maintained outside the Port of New York District or in the event of the failure of the Permittee to comply with all the provisions of paragraphs (a)(ii) through (a)(vii) above then, in addition to all, and without limiting any other, rights and remedies of the Port Authority under this Permit or otherwise and in addition to all of the Permittee's other obligations under this Permit:

(i) the Port Authority may estimate the Gross Receipts on any basis that the Port Authority, in its sole discretion, shall deem appropriate, such estimation to be final and binding on the Permittee and the fees based thereon shall be payable to the Port Authority when billed; and/or

(ii) if any Books and Records are maintained outside of the Port of New York District, then the Port Authority in its sole discretion may (x) require on ten (10) days' notice to the Permittee that any such Books and Records be made available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(v) at the location(s) they are maintained and if such Books and Records are maintained within the contiguous United States the Permittee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority, for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit and if such Books and Records are maintained outside the contiguous United States the Permittee shall

pay to the Port Authority when billed all costs and expenses of the Port Authority, as determined by the Port Authority, of such examination and audit, including but not limited to, salaries, benefits, travel costs and related expenses, overhead costs, and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

(c) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount equal to five percent (5%) of the Audit Findings. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

(d) Without implying any limitation on the rights or remedies of the Port Authority under this Permit or otherwise including without limitation the right of the Port Authority to revoke this Permit for cause for breach of any term or provision of paragraphs (a)(iii) or (a)(iv) above and in addition thereto, in the event any of the Books and Records are not maintained in English, then this Permittee shall pay to the Port Authority when billed, all costs and expenses of the Port Authority, as determined by the Port Authority, to translate such Books and Records into English.

(e) The foregoing auditing costs, expenses and amounts of the Port Authority set forth in paragraphs (b), (c) and (d) above shall be deemed fees under this Permit payable to the Port Authority with the same force and effect as the Basic Percentage Fee and all other fees payable to the Port Authority hereunder.

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be

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included in Gross Receipts hereunder and the Basic Percentage Fee shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Permittee or any inclusion of undercharges in Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

In the event the terms and provisions of any agreement entered into by the Permittee with any third Person in connection with the privileges granted hereunder are contrary to or conflict or are inconsistent with the terms and provisions of this Permit, the terms and provisions of this Permit shall be controlling, effective and determinative.

27. City Lease Provisions:

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

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

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

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

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

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

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

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

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

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

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28. Waiver of Trial by Jury:

The Permittee hereby waives its right to trial by jury in any action that may hereafter be instituted by the Port Authority against the Permittee in respect of the permission granted under this Permit and/or in any action that may be brought by the Port Authority to recover fees, damages, or other sums due and owing under this Permit. The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

29. Continued Exercise of Privilege After Expiration, Revocation or Termination:

(a) Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Permittee shall continue to perform the Authorized Service for any period (a "Post-Termination Period") following the expiration, revocation or termination of the effective period of the permission granted under this Permit, as such effective period of permission may be extended from time to time, the Permittee shall pay to the Port Authority, for any Post-Termination Period, a fee equal to twice the percentage fee otherwise stated to be payable hereunder.

(b) The foregoing shall not be deemed to give the Permittee any right to continue to perform the Authorized Service at the Airport after the expiration, revocation or termination of the effective period of the permission granted under this Permit. In addition, the Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(c) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any Post-Termination Period.

30. Miscellaneous:

(a) It is understood and agreed that the Port Authority shall not furnish, sell or supply to the Permittee any services or utilities in connection with this Permit.

(b) No Commissioner, officer, agent or employee of the Port Authority shall be charged personally by the Permittee with any liability, or held liable to it, under any term or provision of this Permit, or because of its execution or attempted execution, or because of any breach thereof.

(c) The Section and paragraph headings, if any, in this Permit 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.



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

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

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The Permittee shall, prior to furnishing any services hereunder, prepare schedules of rates for said services and discounts therefrom. Such schedules shall be submitted to the Port Authority for its prior written approval as to compliance by the Permittee with its obligations under this Permit. The Port Authority shall examine such schedules and make such modifications therein as may be necessary. Any changes thereafter in the schedules shall be similarly submitted to the Port Authority for its prior written approval, and, if necessary, modification. All such schedules shall be made available to the public by the Permittee at locations designated from time to time by the Port Authority. The Permittee agrees to adhere to the rates and discounts stated in the approved schedules. If the Permittee applies any rate in excess of the approved rates or extends a discount less than the approved discount, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the approved rates and/or discounts shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the approved rates or extends a discount which is in excess of the approved discount, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the approved rates and/or discounts shall constitute an undercharge and an amount equivalent thereto shall be included in gross receipts hereunder and the percentage fee shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Permittee or any inclusion of undercharges in gross receipts, any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon breach which would otherwise be available to it at law, in equity or by reason of this Permit.

STANDARD ENDORSEMENT NO. 4.5

**PRICES AND/OR CHARGES**

All Installations

5/16/49

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

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

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

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

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

(c) Any area occupied by the Permittee and all equipment and materials used by the Permittee shall at all times be clean, sanitary, and free from rubbish, refuse, dust, dirt, offensive or unclean material, flies and other insects, rodents and vermin. All apparatus, utensils, devices, machines and piping used by the Permittee shall be constructed so as to facilitate the cleaning and inspection thereof and shall be properly cleaned after each period of use (which shall at no time exceed eight hours) with hot water and a suitable soap or detergent and shall be rinsed by flushing with hot water. Where deemed necessary by the Port Authority, final treatment by live steam under pressure or other sterilizing procedure shall be used. All trays dishes, crockery, glassware, cutlery, and other equipment of such type shall be cleaned and sterilized before using same. Bottles, vessels and other reusable containers shall be cleaned and sterilized immediately before using the same.

All packing materials, including wrappers, stoppers, caps, enclosures and containers, shall be clean and sterile, and shall be so stored as to be protected from dust, dirt, flies, rodents, unsanitary handling and unclean materials.

STANDARD ENDORSEMENT NO. 10.2

**SANITARY REQUIREMENTS**

Airports

7/20/49

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(d) The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waste material (whether solid or liquid) arising out of or in connection with its operations hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition, in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein; said receptacles being provided and maintained by the Permittee. The receptacles shall be kept covered except when filling or emptying the same. The Permittee shall exercise extreme care in removing such garbage, debris and other waste materials from the Airport. The manner of such storage and removal shall be subject in all respects to the continual approval of the Port Authority. No facilities of the Port Authority shall be used for such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Airport.

It is intended that the standards and obligations imposed by this Endorsement shall be maintained or complied with by the Permittee in addition to its compliance with all applicable Federal, State and Municipal laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the Permittee agrees that it will comply with such laws, ordinances and regulations in its operations hereunder.

The Permittee shall be solely responsible for compliance with the provisions of this Endorsement and no act or omission of the Port Authority shall relieve the Permittee of such responsibility.

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

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

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The Permittee shall during the entire effective period of this Permit maintain in effect a license to sell liquor for consumption on the Space. The Port Authority may at any time on twenty-four (24) hours' notice revoke this Permit effective at the time specified in the notice if said liquor license is revoked, cancelled or suspended regardless of the fault of the Permittee, provided, however, that such revocation, cancellation or suspension of said liquor license is still in effect at the time of giving said notice. Revocation shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

**SPECIAL ENDORSEMENTS**

1. (a) Pursuant to an agreement of lease between the Port Authority and Delta Air Lines, Inc. (the "Airline") bearing Port Authority Lease No. AYC-325, effective as of January 1, 1993 (as the same may have been supplemented, extended and amended, the "Airline Lease") the Port Authority leased to the Airline Building 53 and Building 54 (hereinafter referred to collectively as the "Terminal") and certain outside areas at the Airport. It was contemplated under the Airline Lease that certain consumer services would be operated in space provided by the Airline in the Terminal. The Airline and the Permittee have accordingly entered into a concession agreement, dated as of March 5, 2007, as amended by Amendment No. 1, dated as of April 25, 2007, Amendment No. 2, dated as of August 21, 2007 and Amendment No. 3, dated as of October 11, 2007, and as further amended by Amendment No. 4, dated July 11, 2008 ("Amendment No. 4") (the foresaid concession agreement, as amended, being referred to herein as the "Concession Agreement"), providing for the operation by the Permittee of certain businesses in the Concession Area, as hereinafter defined.

(b) (i) Subject to all of the terms, covenants and provisions of this Permit, from and after the Effective Date, the Port Authority and the Airline hereby grant to the Permittee the privilege of operating the following retail food and beverage concessions as more fully described in Exhibit C of the Concession Agreement at the locations more fully described in Exhibit B-1, Exhibit B-2 and Exhibit B-3 of the Concession Agreement (collectively the "Original Concession Areas") and for the sale of such other specialty retail items normally featured in Permittee's branded concept airport locations as may be consented to in advance in writing by the Port Authority, and for no other purpose or purposes whatsoever:

<b>Unit</b>	<b>Concept</b>
1	Todd English's Bonfire
2	Todd English's Bonfire Bar
3	Wendy's
4	Legend's Sports Bar
5 & 6	Balducci's Food Lovers Market
7	The French Meadow Bakery & Cafe
8	Starbucks (Departures Level)
9	Starbucks (Arrivals Level)

The foregoing areas are located in Passenger Terminal No. 2 at the Airport.

(ii) Further, subject to all of the terms, covenants and provisions of this Permit, from and after March 5, 2008, the Port Authority and the Airline hereby grant to the Permittee the privilege of operating the following additional retail food and beverage concessions as more fully described in Amendment No. 4 at the locations more fully described in Exhibit B-4 of Amendment No. 4 (collectively the "Additional Concession Areas") and for the sale of such other specialty retail items normally featured in Permittee's branded concept airport locations as may be consented to in advance in writing by the Port Authority, and for no other purpose or purposes whatsoever:

<b>Unit</b>	<b>Concept</b>
4024	Bar/Restaurant (Mezzanine)
4012	Burger King (Mezzanine)

3013a	Ciao Gourmet Market
3013	Starbucks (UTB)
3246	Starbucks (Food Court)
3247	Burger King (Food Court)
3248	Bar (Food Court)
3242/3245/3244	Balducci's
3245	Sbarro's
3127	Chili's

The foregoing areas are located in Passenger Terminal No. 3 at the Airport.

The Original Concession Areas and the Additional Concession Areas hereinafter referred to collectively as the "Concession Areas".

(c) The Permittee understands that since the Terminal is leased to the Airline, all arrangements as to the Concession Area and facilities in which the privilege will be exercised, including utilities and services, shall be made with the Airline, and the Permittee acknowledges that it has made such arrangements. The Port Authority makes no representations or warranties as to the size, location, adequacy or suitability of the Concession Area and the facilities therein. Notwithstanding the foregoing, however, the Airline expressly hereby agrees that it shall not, pursuant to the Concession Agreement, relocate or reconfigure all or any part of the Concession Area without the prior written consent of the Port Authority

(d) By its terms, the Concession Agreement is subject and subordinate to the Airline Lease and the Permittee is obligated under the Concession Agreement to comply with all applicable terms of the Airline Lease. The Permittee hereby agrees for the benefit of the Port Authority to comply with all applicable provisions of the Airline Lease. It was stipulated in the Airline Lease and in the Concession Agreement that the Permittee would also enter into this Permit with the Port Authority covering such services to be provided by Permittee under the Concession Agreement. Subject to the terms of this Permit, the Port Authority hereby consents to the Concession Agreement as of March 5, 2007, except that with respect to Amendment No. 4, the Port Authority's consent shall be effective as of July 11, 2008.

2. As used herein:

(a) "Annual Period" shall mean the period commencing on the Fee Commencement Date and ending on the three hundred and sixty-fifth (365th) day following the Fee Commencement Date, and each the three hundred and sixty-five (365) day period occurring thereafter during the period of the permission granted herein.

(b) "Fee Commencement Date" shall mean the date the Permittee commences operations at any portion of the Concession Areas.

(c) "Monthly period" shall mean, as the context requires, the period commencing on the Fee Commencement Date and continuing through the balance of the month in which the Fee Commencement Date occurs and each calendar month thereafter occurring during the period of permission granted hereunder; provided, however, that if the period of permission commences on other than the first day of a month, the first monthly period hereunder shall expire or is terminated or revoked on other than the last day of a calendar month, then the monthly period for the calendar month in which the effective date of expiration, termination or revocation occurs shall expire on such date.

(d) "Port Authority Reserved Uses" shall mean the following uses, operations or installations which the Port Authority reserves to itself and its designees exclusively in the Terminal: VIP lounges; airline clubs; airtrain/monorail facilities; advertising (including, without limitation, static display, broadcast and other); pay telephones, pre-paid phone cards, facsimile transmission machines and other public communications services, including without limitation, all Port Authority-owned or operated information and communications technology infrastructure for common Airport use, provided that the Airline shall retain the right to control the location of the placement within the Terminal of telephones, phone banks, phone kiosks, facsimile transmission machines and Internet kiosks, only, and the right to deny, upon reasonable grounds, the placement of a particular pay phone facility, facsimile transmission machine or Internet kiosk; rental of cellular phones; concierge services (i.e., a center or location which offers a variety of services for passengers (including, but not limited to, hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information)); ground transportation (including vehicle rentals); hotel and other lodging reservations; vending machines dispensing anything (including, but not limited to, catalog and electronic sales) other than products specifically permitted to be sold on the subleased/licensed premises pursuant to a sublease/permit with a specific concessionaire and if approved in advance by the Port Authority; on-airport baggage carts (other than shopping carts made available free of charge to shoppers within the Concession Area) or other on-airport baggage-moving devices; and electronic amusements. The Port Authority shall have the right to all revenues derived for or from the above-stated reserved uses.

(e) "Port Authority Share" shall mean twenty percent (20%) of the fees payable by the Permittee hereunder.

(f) "Percentage fee" shall mean:

(i) For and during the period commencing on the Fee Commencement Date and continuing through March 4, 2008, both dates inclusive, as follows:

<b>Unit</b>	<b>Concept</b>	<b>Food</b>	<b>Alcohol</b>	<b>Other</b>
1	Todd English's Bonfire	12%	17%	20%
2	Todd English's Bonfire Bar	14%	17%	20%
3	Wendy's	12%	17%	20%
4	Legend's Sports Bar	12%	17%	20%
5 & 6	Balducci's Food Lovers Market	12%	17%	20%
7	The French Meadow Bakery & Café	10%	17%	20%
8	Starbucks (Departures Level)	12%	17%	20%
9	Starbucks (Arrivals Level)	10%	17%	20%

(ii) For and during the period commencing on March 5, 2008 and continuing through May 31, 2012, as follows:

<b>Unit</b>	<b>Concept</b>	<b>Food</b>	<b>Alcohol</b>	<b>Other</b>
1	Todd English's Bonfire	12%	17%	20%
2	Todd English's Bonfire Bar	14%	17%	20%
3	Wendy's	12%	17%	20%
4	Legend's Sports Bar	12%	17%	20%
5 & 6	Balducci's Food Lovers Market	12%	17%	20%
7	The French Meadow Bakery & Café	10%	17%	20%
8	Starbucks (Departures Level)	12%	17%	20%
9	Starbucks (Arrivals Level)	10%	17%	20%
4024	Bar/Restaurant (Mezzanine)	11%	16%	20%

4012	Burger King (Mezzanine)	11%	16%	20%
3013a	Ciao Gourmet Market	11%	16%	20%
3013	Starbucks (UTB)	11%	16%	20%
3246	Starbucks (Food Court)	11%	16%	20%
3247	Burger King (Food Court)	11%	16%	20%
3248	Bar (Food Court)	11%	16%	20%
3242/3245/3244	Balducci's	11%	16%	20%
3245	Sbarro's	11%	16%	20%
3127	Chili's	11%	16%	20%

(iii) From and after June 1, 2012, as follows:

<b>Unit</b>	<b>Concept</b>	<b>Food</b>	<b>Alcohol</b>	<b>Other</b>
1	Todd English's Bonfire	12%	17%	20%
2	Todd English's Bonfire Bar	14%	17%	20%
3	Wendy's	12%	17%	20%
4	Legend's Sports Bar	12%	17%	20%
5 & 6	Balducci's Food Lovers Market	12%	17%	20%
7	The French Meadow Bakery & Café	10%	17%	20%
8	Starbucks (Departures Level)	12%	17%	20%
9	Starbucks (Arrivals Level)	10%	17%	20%
4024	Bar/Restaurant (Mezzanine)	12%	17%	20%
4012	Burger King (Mezzanine)	12%	17%	20%
3013a	Ciao Gourmet Market	12%	17%	20%
3013	Starbucks (UTB)	12%	17%	20%
3246	Starbucks (Food Court)	12%	17%	20%
3247	Burger King (Food Court)	12%	17%	20%
3248	Bar (Food Court)	12%	17%	20%
3242/3245/3244	Balducci's	12%	17%	20%
3245	Sbarro's	12%	17%	20%
3127	Chili's	12%	17%	20%

3. (a) The Permittee shall pay to the Port Authority the Port Authority Share of the minimum annual guaranty ("MAG"), which as of the Effective Date of this Permit is the amount of Three Million Seventy-seven Thousand Dollars and No Cents (\$3,077,000.00) per annum. Such amount shall be payable in advance in equal, consecutive monthly installments equal to the Port Authority Share of Two Hundred Fifty-six Thousand Four Hundred Sixteen Dollars and Sixty-six Cents (\$256,416.66), on the Fee Commencement Date and on the first day of each and every calendar month thereafter occurring during the period of permission under this Permit. The MAG is subject to annual adjustments as set forth in subparagraph (b) of this Special Endorsement.

(b) For the Annual Period beginning on the first (1<sup>st</sup>) anniversary of the Fee Commencement Date and on each anniversary of such Annual Period which occurs thereafter during the period of permission under this Permit, the MAG shall be adjusted to be the greater of (i) Three Million Seventy-seven Thousand Dollars and No Cents (\$3,077,000.00) or (ii) an amount equal to ninety percent (90%) of the sum of the MAG and percentage fees payable by the Permittee under this Permit for the Annual Period just ended.

(c) The Permittee shall pay directly to the Port Authority the Port Authority Share of the MAG and the remaining balance of the MAG shall be paid to the Airline.

4. (a) Commencing on the Fee Commencement Date and continuing throughout the balance of the period of the permission granted under the Permit, the Permittee shall pay percentage fees in an amount equal to the excess over the MAG, as hereinabove defined, of the Gross Receipts after applying the appropriate percentages set forth in subparagraph (f) of Special Endorsement No. 2 of this Permit. The computation of percentage fees for each Annual Period, or a portion of an Annual Period, shall be individual to such Annual Period, or such portion of an Annual Period, and without relation to any other Annual Period, or any other portion of any Annual Period. The Permittee shall pay directly to the Port Authority the Port Authority Share of the percentage fees payable under this subparagraph and the remaining balance of the percentage fees shall be paid to the Airline.

(b) The Permittee shall pay percentage fees as follows: on the 20<sup>th</sup> day of the first month following the commencement of each Annual Period and on the 20<sup>th</sup> day of each and every month thereafter including the month following the end of each Annual Period, the Permittee shall render to the Port Authority a sworn statement showing its Gross Receipts for the preceding month and showing its cumulative Gross Receipts from the date of the commencement of the Annual Period for which the report is made through the last day of the preceding month; whenever such statement shall show that the percentages stated above in subparagraph (f) of Special Endorsement No. 2 applied to the Gross Receipts of the Permittee from the preceding month is in excess of the MAG, the Permittee shall pay at the time of rendering the statement an amount equal to the Port Authority Share of such excess and the Permittee shall pay thereafter on the 20<sup>th</sup> day of each month during that Annual Period and on the 20<sup>th</sup> day of the month following the end during such Annual Period an amount equal to the said percentages applied to the Gross Receipts during each subsequent month of that Annual Period. In the monthly statement for the last month of each Annual Period, in addition to all the information required by this paragraph (b), the Permittee shall set forth the MAG applicable to the Annual Period just completed.

(c) Upon any termination or revocation of the period of the permission granted hereunder (even if stated to have the same effect as expiration), the Permittee shall within twenty (20) days after the effective date of such termination, make a payment of fees computed as follows: first, if the period of permission hereunder is terminated or revoked effective on a date other than the last day of a month, the MAG for the portion of the month in which the period of the permission remains effective shall be the amount of the applicable monthly installment of the MAG prorated on a daily basis; second, the Permittee shall within twenty days after the effective date of termination or revocation, render to the Port Authority a sworn statement of all its Gross Receipts for the monthly period in which the effective date of termination or revocation happens to fall and the cumulative Gross Receipts for such Annual Period; third, the payment then due on account of the percentage fee for the monthly period in which the effective date of termination or revocation happens to fall shall be the excess over the prorated Port Authority Share of the MAG of the percentages stated hereinabove applied to all the Gross Receipts of the Permittee arising during such Annual Period; said Port Authority Share of the MAG being prorated by multiplying the same by a fraction, the numerator of which shall be the number of days from the commencement of the annual period through the effective date of termination or revocation and the denominator of which shall be 365, less any percentage fee payments previously made for such Annual Period.

5. (a) The Permittee hereby agrees that it shall invest no less than Nine Million Seventy-four Thousand Six Hundred Seventy-eight Dollars and No Cents (\$9,074,678.00) (the "Minimum Capital Investment") in capital improvements to prepare the Concession Area for occupancy. The Minimum Capital Investment shall be exclusive of and in addition to any of the following amounts: (1) the cost of items with a useful life of less than three years; (2) the cost of

architectural, engineering, professional and consulting services, to the extent such costs exceed twelve percent (12%) of the total amount of capital investment; (3) interest and financing charges; (4) the Permittee's overhead expense; and (5) the Permittee's investments in interim locations.

(b) If as of the Fee Commencement Date the Permittee has not made the Minimum Capital Investment, the Permittee shall pay fifty percent (50%) to each of the Port Authority and to the Airline, within thirty (30) days of such determination by the Airline, of the amount equal to the difference between the Minimum Capital Investment and the amount actually invested by the Permittee in capital improvements at or to the Concession Area as of the day preceding the Fee Commencement Date.

6. Wherever the phrases "Port Authority or the Airline" and "Airline or the Port Authority" are used in this Permit they shall be deemed to mean either the Port Authority or the Airline or both.

7. The following shall be inserted following the second paragraph of Standard Endorsement No. 4.1:

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

1. If the Permittee conducts a similar business to the business operation permitted under this Permit in an off-airport location(s) in the Greater New York City- Northern New Jersey Metropolitan Area (the "Metro Area"), "Street Prices" shall mean the average price regularly charged by the Permittee for the same or similar item in such Metro Area location;

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

3. If neither the Permittee nor other similar retailers sell a particular item in the Metro Area, "Street Prices" shall mean the average price regularly charged by the Permittee or other similar retailers for the same or similar item in any other geographic area, with a reasonable adjustment for any cost of living variance between such area and the Metro Area;

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

The Permittee shall post in each sales area (including any temporary sales space) a notice in form and substance satisfactory to the Port Authority notifying the public that the Permittee subscribes to a "Street Pricing Policy," such policy to be clearly visible and unobstructed. If the Permittee charges any price to a

customer in excess of the price which would satisfy the "Street Pricing Policy" in violation of its obligations under this Permit, the amount of such excess shall constitute an overcharge which shall, upon demand, by the Port Authority or the Permittee's customer, be promptly refunded to the customer."

8. The Permittee shall have no right hereunder to carry on any business or operation at the Airport other than as specifically provided herein.

9. (a) No greater rights are granted or intended to be granted to the Permittee hereunder than the Airline has the power to grant under the Airline Lease. Nothing herein contained shall be deemed to enlarge or otherwise change the rights granted to the Airline by the Airline Lease and all of the terms, provisions and conditions of the Airline Lease shall be and remain in full force and effect throughout the term of the Concession Agreement and the effective period of the permission granted hereunder.

(b) Neither this Permit nor anything contained herein shall constitute or be deemed to constitute a consent to nor shall there be created an implication that there has been consent to any enlargement or change in the rights, powers and privileges granted to the Airline under the Airline Lease, nor consent to the granting or conferring of any rights, powers or privileges to the Permittee as may be provided under the Concession Agreement if not granted to the Airline under the Airline Lease, unless specifically set forth in this Permit. The Concession Agreement is an agreement between the Airline and the Permittee with respect to the various matters set forth therein. Neither this Permit nor anything contained herein shall constitute an agreement between the Port Authority and the Airline that the provisions of the Concession Agreement shall apply and pertain as between the Airline and the Port Authority, it being understood that the terms, provisions, covenants, conditions and agreements of the Airline Lease shall, in all respects, be controlling, effective and determinative. The specific mention of or reference to the Port Authority in any part of the Concession Agreement including, without limitation thereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Permit or shall thereafter grant its consent or approval thereto, or that the Port Authority's discretion as to any such consents or approval shall in any way be affected or impaired. The lack of any specific reference in any provisions of the Concession Agreement to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Airline Lease and this Permit shall, in all respects, be controlling, effective and determinative.

(c) No provision of the Concession Agreement including, but not limited to, those imposing obligations on the Permittee with respect to laws, rules, regulations, taxes, assessments and liens, shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Concession Agreement covering actions which shall or may be undertaken by the Permittee or the Airline including, but not limited to, construction of the Concession Area, title to property and the right to perform services, be deemed to imply or infer that Port Authority consent or approval thereto will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired. References in this paragraph to specific matters and provisions shall not be construed as indicating any limitation upon the rights of the Port Authority with respect to its discretion as to the granting or withholding of approvals or consents as to other matters and provisions in the Concession Agreement which are not specifically referred to herein.

(d) It is hereby expressly understood that there may be differences and inconsistencies between the Concession Agreement, the Airline Lease and this Permit and that as

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to any such inconsistency or difference the terms of this Permit shall control. In the event of inconsistencies between the Concession Agreement and the Airline Lease, the Airline Lease shall control and in the event of an inconsistency between the Concession Agreement and this Permit, this Permit shall control. No changes or amendments to the Concession Agreement nor any renewals or extensions thereof shall be binding or effective upon the Port Authority unless the same have been approved in advance by the Port Authority in writing.

(e) This Permit and the privileges granted hereunder shall in any event expire on the date of expiration or earlier termination of the Airline Lease; provided, however, that this shall not affect or impair the Port Authority's rights of revocation or termination as contained elsewhere in this Permit.

10. It is understood and agreed that the Port Authority shall not sell, supply, or furnish any utilities or services to the Permittee, including, but not limited to, electricity, and the Permittee shall make its own arrangements with the Airline for the supply of such utilities, services, and facilities as it may require. Notwithstanding the foregoing, the Airline may, subject to the Port Authority's prior written approval, charge the Permittee for extraordinary utility consumption in accordance with the terms of the Concession Agreement.

11. The Airline and the Port Authority shall both have the right by their officers, employees, agents, representatives and contractors at all reasonable times to enter upon the Concession Area for the purpose of inspecting the same, for observing the performance by the Permittee of its obligations under this Permit and for the doing of any act or thing which the Airline or the Port Authority may be obligated or have the right to do under this Permit, the Airline Lease, or otherwise. Further, the Airline shall have the right to enter upon the Concession Area for the purpose of making repairs, alterations or replacements in or to any portion of the Terminal in accordance with the provisions of the Airline Lease.

12. (a) Without limiting the generality of any term or provision of this Permit or the Standard Endorsements annexed thereto, the Permittee shall at all times keep the Concession Area and its fixtures, equipment and personal property in a clean and orderly condition and appearance. The Permittee shall be responsible for the repair, replacement and rebuilding of any and all parts of the Concession Area and any other parts of the Terminal or the Facility which may be damaged or destroyed by the acts or omissions of the Permittee, its officers, employees, agents, representatives, contractors, or other persons doing business with it. All non-structural repair, replacement and rebuilding shall be done by the Permittee (unless otherwise directed by the Airline) and structural repair, replacement and rebuilding may be done by the Airline, the cost of any such repair performed by the Airline for the Permittee to be repaid by the Permittee on demand.

(b) The Permittee shall not install any equipment, improvements or fixtures in the Concession Area or elsewhere in the Terminal or perform any alteration or construction work therein without the prior written approval of the Airline (including, but not limited to, the time for the performance of any such installation or work) and in the event of any such installation without the approval of the Airline then upon such notice from the Airline or the Port Authority the Permittee shall remove the same or cause the same to be changed to the satisfaction of the Airline and the Port Authority. In case of any failure on the part of the Permittee to comply with such notice, the Airline may effect the removal or change and the Permittee shall pay the cost thereof to the Airline on demand. All of the Permittee's equipment, fixtures or improvements shall be promptly removed from the Concession Area and the Terminal on or before the expiration, revocation or termination of this Permit and the Concession Area or other area affected by such removal shall be restored by the Permittee to the condition existing prior to any installation or replacement. If the Permittee shall fail so to remove from the Concession Area or the Terminal any property or thing which it is required to remove under this Permit, the Airline

may remove such property and the Permittee shall pay to the Airline the cost thereof on demand. The Airline may store such property or thing in a public warehouse, but shall not be obligated to, or may retain the same in its own possession and in either event may sell the same at public auction, the proceeds thereof to be applied first to the expense of removal, restoration, retention, storage and sale, and second to any sums owed by the Permittee to the Airline or the Port Authority, with any balance remaining to be paid over to the Permittee. If the expense of such removal, restoration, retention, storage and sale shall exceed the proceeds of the sale, the Permittee shall pay such excess to the Airline on demand. The Permittee agrees not to perform any servicing or maintenance to its equipment, fixtures, or property or to remove any such equipment, fixtures, or property unless the Airline has approved the time and manner of the performance thereof. The Permittee shall have no right to install any property or perform any work outside the Terminal nor shall the Permittee leave or store any property on the Facility.

(c) The Permittee shall promptly notify the Airline if any portion or all of the Concession Area or any of the Permittee's fixtures, equipment, or personal property is destroyed, damaged, or in need of repair regardless of the Permittee's responsibility therefor.

13. Such provisions of this Permit as apply to the rights and obligations of the parties hereto upon the expiration of the permission granted by this Permit shall apply to the rights and obligations of the parties hereto upon the revocation or termination of the permission granted by this Permit.

14. Although the printed provisions of this Permit were drawn by the Port Authority, the parties agree that this circumstance alone shall not create any presumption, canon of construction or implication favoring the position of the Port Authority, the Permittee or the Airline and the deletion of language from this Permit prior to its execution shall not be construed to have any particular meaning or to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse, adverse or opposite of the deleted language.

15. In the event of any breach or default by the Permittee in paying the fees due under this Permit, the Airline shall have the right and obligation to enforce payment thereof and to exercise all necessary remedies in connection therewith. The Port Authority shall not be required to incur any expenses or to commence any legal motion or proceeding to collect unpaid fees from the Permittee; provided, however, that nothing herein shall be deemed a waiver by the Port Authority of any rights or remedies under this Permit which it may wish in its discretion to enforce by legal action or otherwise; and provided further, however, that all monies due the Port Authority and collected by the Airline hereunder shall be remitted by the Airline to the Port Authority as and when collected.

16. This Permit is subject to the requirements of the United States Department of Transportation's regulations, 49 CFR Part 23. The Permittee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement or any management contract, or subcontract, purchase or lease agreement or other agreement covered by 49 CFR Part 23. The Permittee agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreement. Further, the Permittee agrees to comply with the terms and provisions of Schedule G, attached hereto and hereto made a part hereof.

17. Labor Harmony at the Airport

(a) General. In connection with its operations at the Airport under this Permit, the Permittee shall serve the public interest by promoting labor harmony, it being

acknowledged that strikes, picketing, or boycotts may disrupt the efficient operation of the Terminal. The Permittee recognizes the essential benefit to have continued and full operation of the Airport as a whole and the Terminal as a transportation center. The Permittee shall immediately give oral notice to the Port Authority (to be followed reasonably promptly by written notices and reports) of any and all impending or existing labor-related disruptions and the progress thereof.

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

(b) Labor peace agreement. The Permittee represents that, prior to or upon entering into this Permit, it has delivered to the Port Authority evidence of a signed labor peace agreement, in the form attached hereto as Exhibit X, or in the event Exhibit X is inapplicable, then a signed officers certification to such effect on the required form provided by the Port Authority.

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

(d) Applicability of Provision. The provisions of this section shall apply to concession operators which employ ten (10) or more persons at the Concession Area.

Initialed:

gwe  
For the Port Authority

Jas  
For the Permittee

[Signature]  
For the Airline

## SCHEDULE G

### Airport Concession Disadvantaged Business Enterprise (ACDBE) Participation

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

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

#### Qualification as an ACDBE

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

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

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

- a. Women;
- b. Black Americans which includes persons having origins in any of the Black racial groups of Africa;
- c. Hispanic Americans which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- d. Native Americans which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
- e. Asian-Pacific Americans which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Juvalu, Nauru, Federated States of Micronesia or Hong Kong;
- f. Asian-Indian Americans which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives Islands, Nepal and Sri Lanka; and
- g. Members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration under Section 8(a) of the Small Business Act, as amended (15 U.S.C. Section 637(a)).

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

Certification of ACDBEs hereunder shall be made by the New York State or New Jersey UCP. If Concessionaire wishes to utilize a firm not listed in the UCP directories but which the Concessionaire believes should be certified as an ACDBE, that firm shall submit to the Port Authority a written request for a determination that the firm is eligible for certification. This shall be done by completing and forwarding such forms as may be required under 49 CFR Part 23. All such requests shall be in writing, addressed to Lash Green, Director, Office of Business and Job Opportunity, The Port Authority of New York and New Jersey, 233 Park Avenue South, 4th Floor, New York, New York 10003

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or such other address as the Port Authority may designate from time to time. Contact [OBJOcert@panynj.gov](mailto:OBJOcert@panynj.gov) for inquiries or assistance.

General

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

  
\_\_\_\_\_  
For the Port Authority

Initialed:

  
\_\_\_\_\_  
For the Permittee

  
\_\_\_\_\_  
For the Airline

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

Agreement No. AYD-744  
Lease No. AYB-876  
John F. Kennedy International Airport

CONSENT AGREEMENT

THIS AGREEMENT, effective as of September 1, 2007 (the "Effective Date"),  
by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter  
called the "Port Authority"), BRITISH AIRWAYS PLC (hereinafter called the "Lessee") and  
HOST SERVICES OF NEW YORK, INC. (hereinafter called the "Sublessee"), a corporation  
organized and existing under the laws of the State of Delaware with an office and place of  
business at 6600 Rockledge Drive, Bethesda, MD 20817, ~~whose representative is Mr.~~  
~~Christopher C. Townsend.~~ *whose representative is Mr. Paul Mamalian, gyy*  
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WITNESSETH, That:

WHEREAS, the Port Authority and the Lessee have heretofore entered into an  
agreement of lease dated as of January 4, 1988 and identified by Port Authority Agreement No.  
AYB-876 (which agreement, as the same has been or may hereafter be supplemented and  
amended, is hereinafter called the "Lease") pursuant to which the Lessee hired and took from the  
Port Authority certain premises at John F. Kennedy International Airport (herein called the  
"Airport") all as more particularly described in the Lease (said premises being hereinafter  
referred to as the "Premises");

WHEREAS, the applicable provisions of the Lease require, and the Sublease  
Agreement provides, that the Sublease shall be subject and subordinate to the Lease as the same  
may be amended, supplemented or extended and, further, that it shall not take effect without the  
prior written consent of the Port Authority thereto embodied in an instrument signed by the Port  
Authority;

WHEREAS, the Lessee has requested the consent of the Port Authority to the  
attached proposed concessionaire sublease agreement made as of September 1, 2007 between the  
Lessee and the Sublessee (hereinafter called the "Sublease") covering portions of the premises  
under the Lease (such portions being hereinafter collectively referred to as the "Space");

NOW, THEREFORE, for and in consideration of the covenants and mutual

agreements herein contained, the Port Authority, the Lessee and the Sublessee hereby agree effective as of the Effective Date, as follows:

1. On the terms and conditions hereinafter set forth, the Port Authority consents to the Sublease.
2. Notwithstanding anything in the Sublease to the contrary, both this Consent Agreement and the Sublease shall terminate, without notice to the Lessee or the Sublessee, on the earliest to occur of the day preceding the date of expiration or earlier termination of the Lease, the effective date of any revocation of this Consent Agreement pursuant to Paragraph 8 hereof, or such earlier date as the Lessee and the Sublessee may agree upon subject to the terms and provisions hereof. Notwithstanding the foregoing, however, no termination of the Sublease shall diminish, limit, alter, affect, modify or impair the obligations, liabilities, or responsibilities of the Lessee under the Lease or release or relieve the Lessee from the same or from any of the terms, provisions, covenants and conditions of the Lease on its part to be kept, performed or observed. The Sublessee shall quit the Space covered by the Sublease and remove its property and property for which it is responsible therefrom on or before the termination of the Sublease.
3. If the Lessee shall at any time be in default of its obligations under the Lease, the Sublessee shall on demand of the Port Authority pay directly to the Port Authority any rental, fee or other amount due to the Lessee. No such payment shall relieve the Lessee from any obligation under the Lease or under this Consent Agreement but all such payments shall be credited against the obligations of the Lessee or of the Sublessee, as the Port Authority may determine for each payment or part thereof.
4. (a) Neither this Consent, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an inference or implication that there has been consent to any enlargement, diminishment, impairment, variation or change in the rights, powers and privileges granted to the Lessee under the Lease, nor any limitation, diminishment, modification, change or impairment of any of the rights, powers, privileges or remedies of the Port Authority under the Lease nor consent to the granting or conferring of any rights, powers, or privileges to the Sublessee as may be provided by the Sublease if not granted to the Lessee under the Lease, nor shall the same affect, impair, diminish, or change any of the duties, responsibilities, liabilities and obligations imposed on the Lessee under the Lease nor constitute or be deemed to constitute a release of the Lessee from any such duties, responsibilities, liabilities and obligations. The Sublease is an agreement between the Lessee and the Sublessee with respect to the various matters set forth therein. Neither this Consent Agreement nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Lessee that the provisions of the Sublease shall apply and pertain as between the Lessee and the Port Authority, it being understood that the terms, provisions, covenants, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative. In addition, in any case of difference or

inconsistency between the provisions of this Consent Agreement and those of the Sublease, this Consent Agreement shall be controlling. The specific mention of or reference to the Port Authority in any part of the Sublease, including, without limitation thereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the subject matter as to which the consent or approval applies has been or shall be approved or consented to in principle or in fact or that the Port Authority's discretion pursuant to the Lease as to any such consents or approvals shall in any way be affected or impaired. The lack of any specific reference in any provisions of the Sublease to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Lease shall, in all respects, be controlling, effective and determinative.

(b) No provisions of the Sublease including, but not limited to, those imposing obligations on the Sublessee with respect to laws, rules, regulations, taxes, assessments and liens, shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Sublease covering actions which shall or may be undertaken by the Sublessee or the Lessee including, but not limited to, construction on the Space covered by the Sublease, title to property, the right to assign (by operation of law or otherwise) the Sublessee's interest in the Sublease, or to further sublease (in whole or in part) the Space or any part thereof, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Lease will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired. References in this paragraph to specific matters and provisions shall not be construed as indicating any limitation upon the rights of the Port Authority with respect to its discretion as to the granting or withholding approvals or consents as to other matters and provisions in the Sublease which are not specifically referred to herein.

(c) (i) The Sublessee acknowledges and agrees that it shall pay directly to the Port Authority twenty percent (20%) of the Base Rent and Additional Rent, as such term are defined in the Sublease.

(ii) Notwithstanding anything to the contrary stated in Section 13.1 (a) of the Sublease, the Port Authority does not and shall not grant or permit a cure or grace period to the Sublessee with respect to the Sublessee's monetary payment defaults to the Port Authority. Nor shall the Port Authority grant any rent abatements which are not consistent with the Port Authority's general practices and/or policies with regard to rent abatement.

5. The Sublessee, in its operations under and in connection with the Sublease and in its use and/or occupancy of the Space, agrees to assume, observe, be bound by and comply with all the terms, provisions and conditions of the Lease.

6. The Sublease shall not be changed, modified, discharged, renewed or

extended except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.

7. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of the rights of the Port Authority or of its required consent to any subsequent sublease or other agreement (by the Lessee or by the Sublessee) with respect to the use or occupancy of the Space or any other portion or area of the Premises under the Lease, or to any assignment of the Lease or the Sublease or of any rights under any of the foregoing, whether in whole or in part.

8. (a) The Port Authority shall have the right to revoke this Consent Agreement at any time without cause on thirty (30) days' notice to the Sublessee, which notice shall be jointly subscribed by the Port Authority and the Lessee, as to any one or more of the Spaces at the Premises at which the Sublessee has permission to operate, and no such revocation shall be deemed to affect the Lease or the continuance thereof, but the Sublease as it applies to the Space which is subject to revocation shall be terminated thereby.

(b) In the event the Port Authority exercises its right to revoke this Consent Agreement for any reason other than "without cause", the Sublessee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation including, without limitation, 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 revocation of this Consent Agreement including, without limitation, legal proceedings initiated by the Port Authority to exercise its revocation rights and to collect all amounts due and owing to the Port Authority under this Consent Agreement.

9. The Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Consent Agreement and the Sublease or the use and occupancy of the Space thereunder.

10. The Lessee and the Sublessee hereby represent and covenant to the Port Authority that they have complied with and will comply with all laws, governmental rules, regulations and orders now or at any time during the term of the Sublease which as a matter of law are applicable to or which affect the operations of the Lessee and the Sublessee under the Sublease or its or their use and/or occupancy of the Space or the Premises. The obligation of the Lessee and the Sublessee hereunder to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property. 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.

11. (a) If the Sublessee shall fail to pay any amount required under this Consent Agreement when due to the Port Authority, or if any such amount is found to be due as

the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Consent Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this paragraph, with respect to such unpaid amount. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Consent Agreement, including without limitation under Paragraph 8 hereof or (ii) any obligations of the Sublessee under this Consent Agreement. In the event that any late charge imposed pursuant to this Paragraph shall exceed a legal maximum applicable to such late charges, then, in such event, each such late charge payable under this Consent Agreement shall be payable instead at such legal maximum.

(b) In the event that upon conducting an examination and audit as described in this paragraph the Port Authority determines that unpaid amounts are due to the Port Authority by the Sublessee (the "Audit Findings"), the Sublessee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount equal to five percent (5%) of the Audit Findings. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Sublessee under this Consent Agreement or otherwise. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this paragraph with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Consent Agreement, including, without limitation, the Port Authority's rights to revoke this Consent Agreement or (ii) any obligations of the Sublessee under this Consent Agreement.

12. Reference herein to the Sublessee shall mean and include the Sublessee, its directors, officers, agents, employees and also others on the Space covered by the Sublease or at the Premises or on the Airport with the consent of the Sublessee.

13. It is hereby acknowledged and agreed by the Lessee and the Sublessee that the Port Authority has no obligation under the Lease, this Consent Agreement or otherwise to pay, subsidize or in any manner whatsoever finance, directly or indirectly, all or any portion of any amount of the Sublessee's capital investment in the Space or at the Premises, whether amortized or unamortized. Any specific mention of or reference in the Sublease to the Port Authority in connection with any payment or other compensation to the Sublessee, upon termination of the Sublease or the Lease or upon revocation of this Consent Agreement with or without cause (in accordance with the terms of Paragraph 8 hereof), of any amount of the Sublessee's capital investment in the Space or at the Premises shall not be or be deemed to create an obligation or inference of an obligation on the part of the Port Authority to either the Sublessee or the Lessee to pay, subsidize or finance said capital investment.

14. (a) Without in any way affecting the obligations of the Lessee under the Lease and under this Consent Agreement and notwithstanding the terms and conditions of the Sublease, the Sublessee shall make repairs and replacements as if it were the Lessee under the Lease. In addition, the Sublessee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for its costs and expenses including attorneys' fees and other legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death, for personal injuries and for property damages, arising out of a breach or default of any term or provision of this Agreement by the Sublessee or out of its operations under the Sublease or at the Space or out of the use or occupancy of the Space by the Sublessee or others with its consent, or out of any other acts or omissions of the Sublessee, its officers, employees, agents, representatives, contractors, customers, guests, invitees and other persons who are doing business with the Sublessee or who are at the Space or the Premises with the consent of the Sublessee, or out of any other acts or omissions of the Sublessee, its officers and employees 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 pursuant to the Basic Lease (as defined in the Lease) whereby the Port Authority has agreed to indemnify the City of New York against claims. However, all acts and omissions of the Sublessee shall be deemed to be acts and omissions of the Lessee under the Lease and the Lessee shall also be severally responsible therefor including but not limited to the obligations of indemnification, repair and replacement.

(b) If so directed, the Sublessee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling the same it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.

15. (a) In addition to the insurance required to be maintained by the Lessee under the Lease, the Sublessee in its own name as insured and including the Port Authority and the Lessee as additional insureds shall maintain and pay the premiums during the term of the Sublease on a policy or policies of Commercial General Liability insurance, including premises operations, products liability, liquor liability and completed operations and covering bodily injury, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in the limits set forth below. Each of the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Sublessee thereunder with respect to any claim or action against the Sublessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Sublessee by the Port Authority or the Lessee, or both, and with respect to any claim or action against the Port Authority or the Lessee, or both, by the Sublessee as though the Port Authority and the Lessee were the named insureds thereunder, but such endorsement shall not limit, vary, change, or affect the protections afforded the Port Authority and the Lessee thereunder as additional insureds. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Sublessee under subparagraph (a) above.

Minimum Limits

Commercial General Liability

Combined single limit per occurrence for  
bodily injury and property damage liability:

\$2,000,000

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

(b) All insurance coverages and policies required under this paragraph 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 consent hereunder. The Port Authority may, at any such time, require commercially reasonable 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.

(c) As to the insurance required by the provisions of subparagraph (a) of this Paragraph, a certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority prior to the use of any portion of the Space by the Sublessee. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event 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 thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or certificate shall contain an additional endorsement that the insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, its Commissioners, 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. A certificate or other evidence of any renewal policy shall be delivered to the Port Authority prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the term of the Sublease. 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 form or substance or if any of the carriers issuing such policies shall become unsatisfactory to the Port Authority, the Sublessee shall promptly obtain a new and satisfactory policy in replacement the Port Authority covenanting and agreeing not to act unreasonably hereunder. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

16. Without limiting the generality of the provisions of this Consent Agreement, the terms, provisions, conditions and agreements of the Lease shall, in all respects, be controlling, effective and determinative and to the extent that any provisions of the Sublease are contrary to, conflict with or are inconsistent with the Lease or this Consent Agreement then such provisions of the Sublease shall be deemed null and void and of no force or effect as to the Port Authority, and of no force or effect on the Lease.

17. The Sublessee 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 Sublessee 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 Sublessee assures that it will require that its covered suborganizations provide assurances to the Sublessee that they similarly will undertake affirmative programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

18. (a) Nothing contained in this Consent Agreement nor in the Sublease, including without limitation the payment obligation of the Sublessee under Article II of the Sublease, nor the acceptance of any such payment thereunder by the Port Authority from the Sublessee shall create or be deemed to have created a landlord-tenant relationship or privity of estate between the Port Authority and the Sublessee nor shall it be or be deemed to be an attornment by the Sublessee to the Port Authority nor acceptance thereof by the Port Authority and the Sublease and the occupancy by the Sublessee of the Space shall in all events be and remain subject and subordinate to the Lease. Neither a partnership nor any joint venture is hereby, or by the Sublease, created or implied notwithstanding the provisions of Article II of the Sublease.

(b) Without limiting the generality and notwithstanding the provisions of paragraph 4(a) herein, the Sublessee and the Lessee further acknowledge and expressly agree that the Port Authority shall have the right to enforce the Sublease Agreement directly against the Sublessee, including but not limited to all insurance provisions thereof.

19. Nothing contained in this Consent Agreement or the Sublease shall be or deemed to be consent to, or approval of, the erection of any structures, or the making of any improvements, alterations, modifications, additions, repairs or replacements to the Space or the Premises including without limitation the installation of any signs at the Airport. The Lessee and Sublessee agree that no construction, installation or the like, as aforesaid, shall be performed without the prior written approval of the Port Authority and subject to the terms and conditions of the Lease and an approved Alteration Application which the Lessee shall prepare and submit to the Port Authority.

20. (a) The Sublessee shall deliver to the Port Authority, as initial security for all obligations under this Consent Agreement, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority in the amount of One Hundred Sixty Thousand Dollars and No Cents (\$160,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective letting under this Consent Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit, the Sublessee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by security in cash or bonds or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the effective letting, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of this Consent

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Agreement on the part of the Sublessee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Sublessee made thereafter, ~~the Port Authority will return the security deposit~~, if any, thereafter, the Port Authority will return the security deposit, if any, theretofore made under and in accordance with the provisions of this paragraph. The Sublessee shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the permission under this Consent Agreement and fulfillment of the obligations of the Sublessee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Sublessee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

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(b) The Sublessee hereby certifies that its Federal Tax Identification Number is (Ex. 1) for the purposes of subparagraph (a) above.

21. Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by registered or certified mail. Such designated officer or representative of the Port Authority and the Lessee and their respective offices shall be as set forth in the Lease. The Sublessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Sublessee designates the representative named on the first page of this Consent Agreement as its representative upon whom notices and requests may be served and its address stated on the first page of this Consent Agreement as its office where notices and requests may be served. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the registered or certified mailing thereof.

22. The Lessee specifically agrees, as part of its obligation to comply with all applicable laws, governmental rules, regulations and orders during the term of this Consent Agreement, that it shall comply with 49 CFR Part 26 (Participation by Disadvantaged Business Enterprises in the Department of Transportation Financial Assistance Programs) and 49 CFR Part 23 (Participation by Disadvantaged Business Enterprises in Airport Concessions), as the same may be amended from time to time. In addition, the Port Authority may from time to time, by notice to the Sublessee, provide to the Sublessee specific provisions which it determines may be required by the afore-stated Part 26 and/or Part 23, to be attached to and form a part of this Consent Agreement. Such specific provisions, from the effective date of such notice, shall be deemed to constitute an integral part of this Consent Agreement.

23. Basic Lease Provisions:

(a) Certain Definitions.

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

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

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

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

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

(ii) The Sublessee shall not pay the fees or other sums under this Consent Agreement for more than one (1) month in advance (excluding security and other deposits required under this Consent Agreement);

(iii) With respect to this Consent Agreement, the Sublessee on the termination of the Basic Lease will, at the option of the City, enter into a direct consent on identical terms with the City;

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

(v) The Sublessee shall not use any portion of the Airport for any use other than as permitted under the Basic Lease;

(vi) The Sublessee shall use the Airport in a manner consistent with the Port Authority's obligations under Section 28 of the Basic Lease;

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

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

24. Without in any way limiting the provisions hereof, unless otherwise notified by the Port Authority in writing, in the event the Sublessee shall continue to perform the operations permitted under this Consent Agreement and/or the Sublease, after the expiration, revocation or termination of the term granted under this Consent Agreement or the Sublease, as such effective term may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Consent Agreement or other remedies the Port Authority may have by law or otherwise, the Sublessee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such revocation or termination, and ending on the date that the Sublessee shall cease to perform the operations at the Airport under the Sublease, equal to twice the sum of the monthly amount due to the Port Authority under the Sublease. Nothing herein contained shall give, or be deemed to give, the Sublessee any right to continue to perform the privilege granted under this Consent Agreement at the Airport after the expiration, revocation or termination of the term granted under this Consent Agreement and/or Sublease. The Sublessee acknowledges that the failure of the Sublessee to cease to perform the operations at the Airport from and after the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss. The Sublessee 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 Sublessee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

25. 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 Sublessee 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 Consent Agreement. The Sublessee and Lessee specifically agree not to interpose any claims as counterclaims in any summary proceeding for possession or in any action for non-payment of rents, fees or other amounts which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

26. Notwithstanding anything to the contrary stated in the Sublease, Section 6.4 shall be, and be deemed, deleted in its entirety and the following Section 6.4 shall be substituted in lieu thereof:

"Section 6.4 Operation and Maintenance Fee ("O&M Fee").

Concessionaire shall pay to Sublandlord an Operations and Maintenance Fee ("O&M Fee") in the amount of

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Concessionaire's proportionate share of all costs and expenses incurred by Sublandlord for the benefit of concessionaires in the operation of the concession space within the Terminal ("O&M Costs"). O&M Costs include, but are not limited to: Food Court CAM costs, as that term is defined hereinafter; trash removal; operations, maintenance, and repair of heating, cooling and ventilation systems; water, power, gas and sewerage charges; and all other direct costs and expenses properly chargeable to the ownership, operation, maintenance or repair of such systems and services.

Concessionaire's proportionate share of the O&M Costs shall be a fraction, the numerator of which shall be the Weighted Floor Area of the Concessionaire Premises, as that term is herein defined, and the denominator shall be the sum of the weighted floor areas leased and occupied by Concessionaires to which O&M Costs are allocated by Sublandlord. The calculation of the amount of costs and expenses incurred by Sublandlord in connection with the operation of the concession space within the Terminal, which shall be an allocation which is derived from the total costs and expenses incurred by Sublandlord in connection with the Terminal as a whole, shall be determined by the Sublandlord in good faith, in a consistent manner from year-to-year, and, in addition, in a manner capable of substantiation. The O&M Fee shall be paid in monthly installments on the first day of each calendar month, commencing on the Minimum Annual Guaranteed Rent Commencement Date, in advance in an amount estimated by Sublandlord as and for Additional Rent. After the end of each calendar year, Sublandlord shall furnish Concessionaire with a statement, of the actual O&M Fees paid and O&M costs incurred by Sublandlord during such period, prepared in accordance with sound accounting practices. If the total amount Concessionaire has paid on account of the O&M Fee for any calendar year (or partial calendar year, as the case may be) is less than the amount due from Concessionaire for such calendar year or partial calendar year as shown on such statement, Concessionaire shall pay to Sublandlord the difference between the amount due and the amount Concessionaire has paid within five (5) days after Sublandlord delivers such statement to Concessionaire. If the total amount Concessionaire has paid exceeds the amount due from Concessionaire, such excess shall be credited solely against payments for the O&M Fee next coming due, and if no payments are next coming due, then against that portion of the Minimum Annual Guaranteed Rent not to be paid to the Port Authority due subsequently until such credit is exhausted. If that portion of the

Minimum Annual Guaranteed Rent not to be paid to the Port Authority due subsequently pursuant to this Sublease is insufficient to fully absorb such excess, Sublandlord shall refund to Concessionaire the part of such excess which cannot be used as a credit as aforesaid. For purposes of this Sublease, the Weighted Floor Area of the Concessionaire Premises is 100% of the Floor Area of the Concessionaire Premises."

27. This Consent Agreement and the interpretation, validity and enforceability thereof shall be governed by the laws of the State of New York.

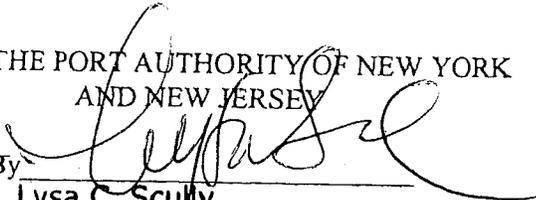
28. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Lessee or to the Sublessee under any term or provision of this Consent Agreement or because of its execution or attempted execution or because of any breach or alleged breach thereof.

IN WITNESS WHEREOF, the Port Authority, the Lessee and the Sublessee have executed these presents.

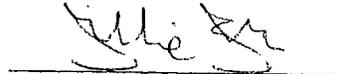
ATTEST:

  
Secretary

THE PORT AUTHORITY OF NEW YORK  
AND NEW JERSEY

By   
Lysa C. Scully  
(Title) Assistant Director  
Customer, Concessions & Airport Services  
(Seal)

ATTEST:

  
Secretary

W. WAISH  
CHIEF EXECUTIVE OFFICER

BRITISH AIRWAYS PLC

By   
NEIL EVANS  
(Title) SVP FINANCE President  
(Corporate Seal)

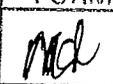
ATTEST:

  
Secretary  
Laura A. Babin  
Secretary

HOST SERVICES OF NEW YORK, INC.

By   
RICHARD KUNKLE  
(Title) Vice President  
(Corporate Seal)

BA/AJD-744/Host Services of New York, Inc.

APPROVED FOR	
FORM	TERMS
	

Form - All-Purpose Ack. N.Y. (rev 1/4/2000)

For the Port Authority of NY & NJ

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

On the 7<sup>TH</sup> day of ~~SEPTEMBER~~<sup>10</sup> in the year 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared LYSA C. Scully, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

*Gail E. Mitchell*  
(notarial seal and stamp)

GAIL E. MITCHELL  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01M16026210  
Qualified in Queens County  
My Commission Expires June 14, 2011

For British Airways Plc

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

On the 10<sup>th</sup> day of June in the year 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Neil Evans, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

*[Signature]*  
(notarial seal and stamp)

JAMES B. BLANEY  
Notary Public, State of New York  
No. 02BL4919572  
Qualified in New York County  
Commission Expires 09/14/2010



## JOHN F. KENNEDY INTERNATIONAL AIRPORT - TERMINAL 7 CONCESSIONAIRE SUBLEASE AGREEMENT

This Concessionaire Sublease Agreement ("Sublease") is made as of this 1<sup>st</sup> day of ~~July~~ *September*, 2007, by and between British Airways Plc, a corporation of England and Wales having offices at 75-20 Astoria Street, Jackson Heights, New York 11370 ("Sublandlord"), and Host Services of New York, Inc. having offices at 6905 Rockledge Drive, Bethesda, Maryland ("Concessionaire").

### GLOSSARY AND BASIC SUBLEASE PROVISIONS

The following information and terms are deemed to be incorporated in and part of the Sublease.

**Additional Rent:** The collective term for all sums of money required to be paid by Concessionaire to Sublandlord or the Port Authority, other than Base Rent, as that term is defined below, and including, without limitation, the Operations and Maintenance Fee and Marketing Fee, as those terms are hereinafter defined.

**Address for payments to Port Authority:** P.O. Box 17309, Newark, New Jersey 07194.

**Address for payments to Sublandlord:** British Airways, c/o Unison-Maximus, Inc., Terminal 7, JFK International Airport, Jamaica, New York 11430

**Airport:** John F. Kennedy International Airport.

**Annual Statement:** A statement from, and certified as being true, accurate and complete by, Concessionaire and delivered to the Sublandlord and the Port Authority, stating the amount of Gross Receipts from the Concessionaire for the previous calendar year or partial calendar year.

**Audit:** A complete audit to be made, by an independent certified public accountant selected by Sublandlord or the Port Authority, as the case may be, of the Records of the Concessionaire for the period covered by any Monthly Statement or Annual Statement.

**Bond:** Letter(s) of credit for the benefit of the Sublandlord and the Port Authority, respectively, issued by a party or parties approved by the Sublandlord and the Port Authority, as the case may be, as to the surety or letter of credit in its respective favor, which provides Sublandlord or the Port Authority, as the case may be, the right to make an immediate demand upon the issuer thereof for any Rent that may be owned to Sublandlord, or the Port Authority, as the case may be, by the Concessionaire.

**Commencement Date:** September 1, 2007.

**Common Areas:** All portions of the Terminal, except for those portions (1) included within each of the premises subleased to Concessionaires including, but not limited to, the Concessionaire Premises; and (2) not open or available for use by the general public, as more fully set forth in Section 6.1.

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**CONCESSIONAIRE SUBLEASE**

BETWEEN

BRITISH AIRWAYS PLC

AS

SUBLANDLORD

AND

HOST SERVICES OF NEW YORK, INC.

AS

CONCESSIONAIRE

FOR

**A PORTION OF TERMINAL 7 IN  
JOHN F. KENNEDY INTERNATIONAL AIRPORT**

**Concessionaire Premises:** That portion of the Premises subleased to the Concessionaire and depicted on Exhibit A, comprised of the following Spaces:

Todd English	F2
Wolfgang Puck	F3
Balducci's Express	F4
Starbucks	F12
Zoom Interactive Cafe	F1
Sapphire / Balducci's To Go	F6
Wolfgang Puck To Go	F10
Starbucks	A01

**Concessionaire Sublease:** This Sublease, which shall be void *ab initio* and of no force and effect unless and until such time as the Concessionaire, Sublandlord, and the Port Authority have executed a Port Authority Consent, as that term is defined herein.

**Concessionaires:** All third-parties to whom the Sublandlord subleases or licenses portions of the Premises for the principal purpose of providing food and beverage and retail concession services to the traveling public.

**CPI:** The twelve (12) month average of the Consumer Price Index [U.S.-All Items in Commodity Groups-New York Area Only, Urban Wage Earners and Clerical Workers of the U.S. Department of Labor 1982-84=100].

**Default Rate:** A rate of interest being the lesser of (a) the Prime Rate, plus four percent (4%); and (b) the highest rate then allowed under the usury laws of the State of New York.

**Delivery Date:** As it applies to any portion of the Concessionaire Premises, the date on which possession of said portion of the Concessionaire Premises is delivered to Concessionaire by British Airways.

**Delivery Service:** Federal Express or similar nationally recognized overnight courier service.

**Disadvantaged Business Enterprise or DBE:** An individual or entity meeting the requirements of a disadvantaged business enterprise as defined in US Department of Transportation Regulations Title 49, Code of Federal Regulations, Part 23, and certified as an ACDBE by the Port Authority.

**Enplanement or Enplaned Passenger:** Any local originating, connecting or through passenger that boards a flight from the Terminal, excluding passengers who have disembarked and reboarded for the purpose of continuing their journey on the same aircraft with the same flight number.

**Event of Default:** Certain failures by the Concessionaire, as more fully set forth in Section 13.1.

**Expiration Date:** October 31, 2015, unless sooner terminated in accordance with the provisions of this Sublease, as amended.

**Federal Aviation Administration or FAA:** The United States Federal Aviation Administration, and any successor agency, office or department thereof.

**Floor Area of Concessionaire Premises:** The total area of Concessionaire Premises equal to 11,373 sq. ft., comprised as follows:

F1	Zoom Interactive Café	2,302 sq. ft.
F2	Todd English Bonfire	4,598 sq. ft.
F3	Wolfgang Puck Express	589 sq. ft.
F4	Balducci's	756 sq. ft.
F6	Sapphire / Balduccis To Go	2,483 sq. ft.
F12	Starbucks (Food Court)	245 sq. ft.
F10	Wolfgang To Go	50 sq. ft.
A01	Starbucks (Arrivals)	350 sq. ft.
Total		11,373 sq. ft.

**Food Court Common Areas:** That portion of the Common Areas primarily intended for (a) public circulation to and from certain food and beverage Concessionaires and (b) a public seating area containing tables and chairs for use by passengers, employees and other visitors to the Terminal to consume purchases from said food and beverage Concessionaires, as further depicted in Exhibit A.

**GAAP:** Generally Accepted Accounting Principles.

**Governmental Authority or Governmental Authorities:** The United States of America, the States of New York and New Jersey, any political subdivision of either and any agency, department, commission, board, bureau or instrumentality of any of the foregoing, or any quasi-governmental authority (to the extent the rulings of such quasi-governmental authority have the force of law), including the Port Authority, now existing or hereafter created, having jurisdiction over the Airport or any portion thereof.

**Gross Receipts:** As that term is defined in Section 2.1(b)(iv), below.

**Initial Build Out Costs:** The aggregate of the so-called hard and soft costs incurred by the Concessionaire in connection with the development, design, construction, furnishing, fixturing and equipping of the Concessionaire Premises.

**Initial Improvements:** that work to be undertaken by Concessionaire in any portion of the Concessionaire Premises, following the Delivery Date of said portion of the Concessionaire Premises, as further described in Section 1.2(b) below.

**Laws:** All present and future laws, rules, orders, ordinances, regulations, statutes, requirements, codes and executive orders, extraordinary as well as ordinary, of all Governmental Authorities now existing or hereafter created, and of any applicable fire rating bureau or other body exercising similar functions, affecting the Airport or any portion thereof.

**Master Lease:** That certain Agreement of Lease dated as of January 4, 1988 between the Sublandlord as the Lessee therein and The Port Authority of New York and New Jersey, and all amendments, supplements and revisions thereof, whether heretofore or hereafter made (collectively "Supplements") and known as Lease No. AYB-876.

**Minimum Annual Guaranteed Rent:** \$800,000.00 for the first twelve months of the Agreement, \$955,000.00 for the remainder of the Term, subject to the adjustment, as set forth in Section 2.01(a), below.

**Minimum Annual Guaranteed Rent Commencement Date:** The Commencement Date.

**Monthly Statement:** A statement from and certified, as being true, accurate and complete by the Concessionaire to the Sublandlord and the Port Authority stating the amount of Gross Receipts from Concessionaire for the previous calendar month, and such other information as Sublandlord may reasonably request, each such statement to identify each location operated by Concessionaire within the Premises, irrespective of whether or not all such locations (if more than one) are operated under one or more Concessionaire Subleases.

**Percentage Rent:** That portion of the Gross Receipts of the Concessionaire to be paid as a component of Rent by the Concessionaire to the Sublandlord or Port Authority, as the case may be.

**Percentage Rent Rates:** Those rates identified as such in Exhibit D.

**Permitted Operations:** Operation food and beverage concessions, including restaurants, public bars offering alcoholic and non alcoholic products, as further described in Exhibit I. It is further provided that the foregoing are subject, in all events, to the limitations set forth in Section 5.01 hereof.

**Plans and Specifications:** The plans, specifications and schedules approved by Sublandlord and the Port Authority, by which the Concessionaire will (a) design; (b) furnish; (c) fixture; and (d) equip the Concessionaire Premises. All plans and specifications must comply with the Concessions Design and Construction Manual and the Port Authority's Tenant Alteration Application process, copies of which attached hereto as Exhibit E.

**Port Authority:** The Port Authority of New York and New Jersey, a body corporate and politic as established by compact between the States of New Jersey and New York with the consent of the Congress of the United States of America.

**Port Authority Consent:** A written consent agreement in the form of a so-called "Privilege Permit", or other form of consent agreement provided by the Port Authority, evidencing the consent of the Port Authority to this Sublease, or amendments thereto, which issuance is within the sole and absolute discretion of the Port Authority.

**Port Authority Percentage Rent:** An amount equal to twenty percent (20%) of the Percentage Rent.

**Premises:** Those portions of the Terminal which are, from time-to-time, designated as such by the Sublandlord, but in no event shall it consist of less than the aggregate of (a) the Concessionaire Premises; (b) all other portions of the Terminal subleased to other concessionaires; and (c) and the Food Court Common Areas.

**Prime Rate:** That which is published, from time to time, in the Wall Street Journal as being the prime rate.

**Protected Parties:** All officers, directors, employees, agents and shareholders of the Sublandlord and its successors and assigns.

**Records:** Those records and books or account recording all transactions of the Concessionaire at, through, or in anyway connected with the Concessionaire Premises.

**Rent:** The collective term for Minimum Annual Guaranteed Rent, Percentage Rent and Additional Rent.

**Sublandlord Percentage Rent:** An amount equal to eighty percent (80%) of the Percentage Rent.

**Sublandlord's Work:** That work to be done, if any, by or on behalf of the Sublandlord as more fully set forth in Exhibit B.

**Substantial Completion:** That stage in the process of the Sublandlord's Work when such is sufficiently complete, as reasonably determined by Sublandlord, so that the Concessionaire may beneficially occupy the Concessionaire Premises for its intended use,

**Term:** The period beginning on the Commencement Date and ending on the Expiration Date, unless sooner terminated pursuant to the terms of this Sublease.

**Terminal:** That portion of the Airport currently and commonly known as Terminal 7 or the British Airways Terminal.

**Transportation Security Administration or TSA:** The United States Transportation Security Administration, and any successor agency, office or department thereof

**Notice Address:**

**Sublandlord:**

75-20 Astoria Boulevard  
Jackson Heights, New York 11370  
Attention: Steve Clark, Senior Vice President, Customer Service

**With a copy to:**

James B. Blaney  
Senior Counsel, Americas  
75-20 Astoria Boulevard  
Jackson Heights, New York 11370

**Port Authority:**

Manager of Central Business  
Port Authority of New York and New Jersey  
225 Park Avenue South  
New York, New York 10003

**With copy to:**

Chief, Leases Division  
Port Authority of New York and New Jersey  
Law Department  
225 Park Avenue South  
New York, New York 10003

**Concessionaire:**

HMSHost  
Law Department, 7th Floor  
6905 Rockledge Drive  
Bethesda, MD 20817

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**ARTICLE I  
GRANT AND TERM**

**Section 1.1 GRANT AND PREMISES**

(a) Sublandlord, in consideration of the Rent to be paid and the covenants to be performed by Concessionaire, does hereby, demise and lease unto Concessionaire, and Concessionaire hereby rents and hires from Sublandlord, the Concessionaire Premises for the uses and purposes hereinafter set forth, subject, at all times, to the terms and conditions of the Master Lease and the Port Authority Consent, provided however, this Sublease shall be void ab initio until receipt of the executed Port Authority Consent.

(b) The foregoing grant and demise to Concessionaire includes the non-exclusive right of the Concessionaire and its officers, shareholders, partners, members, contractors, agents, employees and invitees and others acting by, through or under the Concessionaire to use the Airport, pursuant to the terms of the Master Lease, including, but not limited to, Section 6, thereof, in common with all others permitted to use the Airport by the Port Authority.

**Section 1.2 DELIVERY OF PREMISES; WORK OF SUBLANDLORD AND CONCESSIONAIRE.**

(a) Sublandlord will perform or cause to be performed, the Sublandlord's Work, if any, as more fully set forth in Exhibit B. Concessionaire, by its execution of this Sublease, represents, warrants and agrees that Sublandlord has no obligation, duty and has made no agreement with Concessionaire to do or cause to be done any other work in or to the Concessionaire Premises except as expressly set forth herein.

(b) Concessionaire covenants and agrees that, to the extent not required to be completed by the Sublandlord, it shall (i) undertake, at no cost to the Sublandlord or Port Authority, improvement of the Concessionaire Premises, which improvement shall include the (1) design; (2) furnishings and fixtures; (3) leasehold improvements and; (4) equipping of the Concessionaire Premises (said work herein referred to as the "Initial Improvements"), and shall expend for said Initial Improvements an amount not less than \$4,500,000.00, and Concessionaire will provide to Sublandlord such documentation as is reasonably required to evidence and support such expenditure. Subject to delays beyond Concessionaire's control, Concessionaire shall cause the Initial Improvements to proceed diligently to completion in accordance with the Plans and Specifications. Concessionaire agrees to complete the Initial Improvements within 360 days of the first Date of Delivery, except as such date may be extended by Sublandlord. Concessionaire covenants that it will, at all times, conform with all Laws, the Master Lease and the Tenant Alteration Application process of the Port Authority.

## ARTICLE II RENTAL

### Section 2.1 BASE RENT

For each calendar year, Concessionaire shall pay to Sublandlord and Port Authority, or such other party or parties as the Concessionaire is from time-to-time notified in writing, as Base Rent, an amount equal to the greater of the (1) Minimum Annual Guaranteed Rent and (2) Percentage Rent. All payments of Base Rent shall be due and payable without prior demand or notice.

#### (a) MINIMUM ANNUAL GUARANTEED RENT.

(i) Minimum Annual Guaranteed Rent shall be due and be paid in twelve (12) equal monthly installments, in advance, beginning on the the Minimum Annual Guaranteed Rent Commencement Date and continuing through the remainder of the Term thereafter.

(ii) Concessionaire acknowledges and agrees that, of the Minimum Annual Guaranteed Rent, twenty percent (20%) thereof is due and payable by Concessionaire to the Port Authority, on a monthly basis ("Port Authority Minimum Annual Guaranteed Rent"). Therefore, Port Authority Minimum Annual Guaranteed Rent shall be paid, directly to the Port Authority, in equal monthly installments, in advance, beginning on the Minimum Annual Guaranteed Rent Commencement Date and continuing through the remainder of the Term thereafter.

(iii) Commencing with effect after the twenty-fourth (24<sup>th</sup>) month of this Agreement, during each calendar year that an amount equal to eighty-five percent (85%) of the Percentage Rent thereof shall exceed the Minimum Annual Guaranteed Rent for the same calendar year, then the Minimum Annual Guaranteed Rent for the next succeeding calendar year shall be an amount equal to said eighty-five percent (85%) of the Percentage Rent.

#### (b) PERCENTAGE RENT.

(i) Percentage Rent from Concessionaire shall be equal to the product of the Percentage Rent Rates applicable to the merchandise sold or services offered by the Concessionaire within the Concessionaire Premises, multiplied by the Gross Receipts.

(ii) Commencing as of August 1, 2008, and continuing thereafter throughout the Term, Percentage Rent shall be paid by Concessionaire to Sublandlord, as to the Sublandlord Percentage Rent, and the Port Authority, as to the Port Authority Percentage Rent, without prior notice or demand, within fifteen (15) days after the end of each month of the Term ("Percentage Rent Payment Date"); provided however, in no event shall either the Sublandlord Percentage Rent or Port Authority Percentage Rent be less than the amount due to the Sublandlord or Port Authority, as the case may be, as Minimum Annual Guaranteed Rent. For the twelfth (12<sup>th</sup>) month of the term only (August, 2008), Concessionaire shall pay percentage rent on all revenues over \$692,000. The Minimum Annual Guarantee Rent for this month shall remain one twelfth (1/12<sup>th</sup>) of \$800,000.

(iii) If, after the first eleven months of the Term, for any calendar year or partial

calendar year, as the case may be, the total amount of monthly installments of Percentage Rent for such period is less than the total amount of Percentage Rent required to be paid for said period, Concessionaire shall pay to the Sublandlord or the Port Authority, or both, as the case may be, the amount of such deficiency together with the delivery of the Annual Statement. If, at the end of any calendar year or partial calendar year, as the case may be, the total amount of Percentage Rent paid by Concessionaire for such period was in excess of amount of Percentage Rent required to be paid hereunder for said period, then such excess shall be deemed to be prepaid Percentage Rent and shall be applied as a credit against Percentage Rent thereafter becoming due and payable by Concessionaire to Sublandlord or Port Authority, or both, as the case may be, until such credit is exhausted. This obligation shall survive the expiration or sooner termination of this Sublease.

(iv) The term "Gross Receipts," for each calendar year or partial calendar year, shall mean and include all monies paid or payable to Concessionaire for sales made and, services rendered at or from the Concessionaire Premises, regardless of (A) when during a calendar year sales are made and (B) where the order is filled or from where it is shipped, if the order was taken at the Concessionaire Premises, provided however the following shall be excluded, or, if included, may be deducted therefrom: (1) taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by the Concessionaire; (2) receipts of Concessionaire which arise from its operations, if any, under any other agreement with the Port Authority and which are subject to a percentage rental or fee under that agreement; (3) refunds for merchandise returned by customers; (4) the amount of gratuities paid or given by patrons or customers to employees of Concessionaire or others employed at or serving at any of the facilities being operated by Concessionaire; (5) bona fide transfers of merchandise to or from the Concessionaire Premises to any other stores or warehouses of Concessionaire; (6) sales of Concessionaire's fixtures and store equipment not in the ordinary course of such Concessionaire's business; (7) returns to shippers, suppliers or manufacturers; and (8) insurance proceeds received from the settlement of claims for loss of or damages to merchandise, fixtures and other personal property of the Concessionaire other than the proceeds of business interruption insurance. During all time periods for which Gross Receipts are computed, in the event the foregoing definition produces a negative number, Gross Receipts shall be deemed to equal zero. The full amount of any payments received by Concessionaire from any third party as consideration for (i) promotions, (ii) advertising, or (iii) the prominent display of merchandise and/or the placement of promotional material in the Concessionaire Premises from a supplier of goods (such latter promotional considerations commonly referred to as "Retail Display Allowance") shall be included in the Gross Receipts for the year within which such payment was earned, irrespective of when received. The amount of Gross Receipts shall be determined and based upon the amount that Concessionaire reports to Sublandlord and the Port Authority as the Gross Receipts for each such reporting period, as adjusted, thereafter after examination of Concessionaire's books and record and/or Audit by either or both of the Sublandlord and the Port Authority. Except as otherwise provided for herein, if any charge for any of the products or services provided hereunder is not assessed, charged or collected, irrespective of the reason therefore, the proper amount of such charge shall, nevertheless, be included in Gross Receipts. Further, no deduction shall be made from Gross Receipts by reason of any credit loss, charge or deduction that may be incurred by reason of the acceptance or use of credit cards or other credit or charge arrangements.

Section 2.2 **ADDITIONAL RENT.**

Additional Rent, if any, shall be paid within ten (10) days after receipt of a bill therefor.

Section 2.3 **LATE CHARGE, DEFAULT RATE, LOCATION FOR PAYMENTS**

(a) Unless specifically stated otherwise in this Sublease, Rent shall be due and payable as indicated herein. The parties hereby agree that late payment by Concessionaire of any Rent may cause Sublandlord to incur certain costs and expenses not contemplated under this Sublease; the exact amount of which costs are extremely difficult to determine. In the event Concessionaire fails to pay any Rent to Sublandlord on or before the 5th day after same is due to Sublandlord, then Concessionaire shall pay to Sublandlord a late charge of five percent (5%) of the amount not so paid as damages for the failure to make prompt payment. In the event Concessionaire pays said late charge, but fails to pay contemporaneously therewith all unpaid amounts of Rent then due to Sublandlord and payable, Sublandlord's acceptance of this late charge shall not constitute a waiver of Concessionaire's failure with respect to Concessionaire's nonpayment or prevent Sublandlord from exercising all other rights and remedies available to Sublandlord.

(b) **Late Charges**

(i) Any amount due from Concessionaire to Sublandlord which is not paid when due (including, without limitation, amounts due as reimbursement to Sublandlord for costs incurred in performing obligations of the Concessionaire) shall bear interest at the Default Rate from the date due until paid (such interest hereinafter referred to as "Interest Charges"), unless otherwise specifically provided herein, but the payment of such Interest Charges shall not excuse or cure any failure or default under this Sublease. Interest Charges shall not accrue with respect to disputed items being contested in good faith by Concessionaire; however, Interest Charges shall accrue on any disputed item not paid within five (5) days from the date of resolution computed from the date of resolution.

(ii) If Concessionaire should fail to pay any amount required under this Sublease or the Port Authority Consent to the Port Authority, including without limitation any payment of any Rent, or if any such amount is found to be due as the result of an Audit, then, in such event, the Port Authority may impose (by statement bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority Audit findings shall consist of each late charge period following the date the unpaid amount should have been paid. Each late charge shall be payable immediately upon demand made at any time therefore by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under this subsection with respect to such unpaid amount. Nothing herein is intended to, or shall be deemed to affect, alter, modify or diminish in any way any rights of the

Port Authority under this Sublease or the Part Authority Consent, as the case may be. In the event that any late charge imposed pursuant to this subsection shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable hereunder shall be payable instead at such legal maximum.

(c) Rent and all other sums payable by Concessionaire shall be paid in currency of the United States or other customary commercial manner at the Address for Payments to Sublandlord or Port Authority, as the case may be, or such other place as either or all may designate, from time to time, without any deductions or offsets, except as otherwise specifically permitted in this Sublease.

### ARTICLE III RECORDS AND BOOKS OF ACCOUNT, AUDIT

#### Section 3.1 RECORDS

a) Concessionaire covenants and agrees to maintain all Records in accordance with GAAP during the Term, and for two full calendar years after the expiration or earlier termination of the Term or the Port Authority Consent ("Records Term"). The Records shall be kept at all times within the Port of New York District. Without implying any limitations on the rights of the Port Authority, but in addition thereto, if any Records are maintained outside of the Port of New York District, but within the continental United States, the Port Authority or the Sublandlord, in their respective discretion, both, may (i) require that such Records be produced within the Port of New York District; or (ii) examine such Records at the location at which they have been maintained and in such event, Concessionaire shall be required to pay to the Port Authority or the Sublandlord, or both, as the case may be, when billed, all travel and related expenses, as determined by the Port Authority and the Sublandlord, for the Port Authority's and Sublandlord's auditors and other representatives, employees and officers in connection with such examination and audit, or, if any such Records have been maintained outside the continental United States, then, in addition to the costs set forth in (ii), above, Concessionaire shall be required to pay to the Port Authority or the Sublandlord, or all, as the case may be, when billed, all other costs of the examinations and audits of such Records, including, without limitation, salaries, benefits, travel costs and related expenses, overhead costs and fees and charges of third-party auditors retained by the Port Authority or the Sublandlord, or both, as the case may be, for the purpose of conducting such examinations and audits. The foregoing auditing costs, expenses and amounts due to the (i) Port Authority shall be deemed fees and charges under the Port Authority Consent, payable to the Port Authority with the same force and effect as all other fees and charges payable thereunder; or (ii) Sublandlord, as Additional Rent, and be payable upon demand therefor.

b) Notwithstanding anything contained in this Sublease to the contrary, for purposes of this Sublease, Records shall exclude any books and records relating to any other locations owned or occupied by Concessionaire located off the Airport or any other business operations of Concessionaire, provided however, that this exclusion shall neither bind nor apply to the Port Authority and its right to inspect and Audit as herein provided. The Port Authority shall also be entitled to examine and audit the books and records of account of any company or entity which is owned or controlled by Concessionaire, or which owns or controls Concessionaire, or which is under common control with the Concessionaire, if said company performs services similar to

those performed by the Concessionaire, and the Concessionaire shall make available such books and records to the Port Authority for such purposes to the same extent as would be required pursuant to paragraph (c) of this section.

c) Concessionaire shall permit during the Records Term, (i) the examination and audit of the Records by the officers, employees and representatives of either or both of the Sublandlord and Port Authority ("Audit"). Concessionaire shall make available to the Port Authority within the Port of New York District for examination and Audit pursuant hereto all of the Records; (ii) the inspection by the officers, employees and representatives of either or both of the Port Authority and Sublandlord of any equipment used by Concessionaire including, but not limited to sales registration and tracking devices such as cash registers, sales slips, invoicing machines and any other equipment or devices for recording orders taken, or services rendered, as may be appropriate to Concessionaire's business and necessary or desirable to keep accurate records of Gross Receipts.

d) In the event Concessionaire shall fail to maintain, keep or make available for examination and Audit the Records in the manner and at the times or location as provided herein then, in addition to all and without limiting any other rights and remedies of the Sublandlord or the Port Authority, either or both may:

(i) Estimate the Gross Receipts of the Concessionaire on any basis that the Port Authority or the Sublandlord, in their respective sole discretion, shall deem appropriate, such estimation to be final and binding on the Concessionaire (but not on the remaining party having the benefit of this provision) and Concessionaire's Percentage Rent based thereon to be payable to the party conducting the Audit; or

(ii) If any such Records have been maintained outside of the Port of New York District, then the Port Authority or the Sublandlord, or all, may, in the exercise of the sole discretion of either, may require, on ten (10) days notice to Concessionaire, that such Records to be produced and made available within the Port of New York District for the Port Authority's or Sublandlord's, or both, auditors and other representatives, employees and officers in connection with such examination and Audit.

### **Section 3.2 REPORTS BY CONCESSIONAIRE**

(a) Concessionaire shall furnish to Sublandlord and the Port Authority (i) the Monthly Statement by the Percentage Rent Payment Date, for the preceding month; and (ii) the Annual Statement on or before April 1st of each calendar year, for the preceding calendar year.

(b) Concessionaire shall timely provide to the Sublandlord and the Port Authority a Monthly Statement and Annual Statement together with all other documents, Records and materials requested or required to be delivered by Concessionaire to the Port Authority or Sublandlord.

### **Section 3.3 SUBLANDLORD AUDIT ADJUSTMENTS; COSTS**

If any Audit conducted by the Sublandlord of the Concessionaire discloses that the Gross Receipts as previously reported for the period audited were understated and additional Percentage

Rent is due, then the Concessionaire shall be required to pay to (i) Sublandlord the additional Percentage Rent due thereto for the period audited within five (5) days after receipt of a statement therefore (together with a copy of the results of the Audit indicating the understatement); and (ii) within five (5) days of an invoice therefor, all costs of each such Audit.

#### ARTICLE IV INITIAL CONDITION OF CONCESSIONAIRE PREMISES

##### Section 4.1 ACCEPTANCE

(a) Upon Substantial Completion, Concessionaire shall accept the Concessionaire Premises in their then-current condition, subject to such work as may be necessary to complete the work, if any, to be done by the Sublandlord, which work shall be completed by Sublandlord as soon as is reasonably possible.

(b) Concessionaire, by the acceptance of the tender of delivery by Sublandlord of the Concessionaire Premises, shall be deemed the unequivocal representation, warranty and agreement by the Concessionaire that (a) Substantial Completion of the Sublandlord's Work, if any, has occurred; (b) Concessionaire has, subject to full completion of Sublandlord's Work, accepted the Concessionaire Premises in all respects; and (c) Sublandlord has no obligation, duty or has made any agreement to do or cause to be done any other work in or to the Concessionaire Premises except to the extent otherwise set forth in this Sublease.

(c) Sublandlord makes no warranty, either express or implied, as to the condition of the Concessionaire Premises or the suitability of the Concessionaire Premises for Concessionaire's purposes or needs. If during the construction of Improvements, latent defects are discovered, Sublandlord and Concessionaire shall negotiate in good faith with respect to the costs for which each shall be responsible.

##### Section 4.2 CHANGES TO PREMISES

(a) The Initial Improvements with respect to each portion of the Concessionaire Premises shall be made only in accordance with the provisions of Exhibits B and E.

(b) Changes, if any, made to the Concessionaire Premises from and after the completion of the Initial Improvements shall be made only in accordance with the Plans and Specifications and, in all events, in compliance with the Port Authority's Tenant Alteration Application process, which process must be complied with, in addition to, and not in lieu of, the provisions of this Section 4.2.

(c) Full and complete plans and specifications for all work, facilities, improvements and finishes, and the time required to complete same ("Plans and Specifications"), shall be first reviewed and approved in writing by Sublandlord and then submitted and approved by the Port Authority before any work or construction is commenced. Approval of Sublandlord shall include architectural and aesthetic matters and Sublandlord reserves the right to reject any layout or design proposal submitted and to require Concessionaire to resubmit any such layout or design proposal until it meets Sublandlord's approval.

(d) All improvements, furniture, fixtures, equipment and finishes, including the plans and specifications thereof, constructed or installed by Concessionaire, its subtenants, agents or contractors shall conform in all respects to applicable Laws including, but not limited to, the Americans with Disabilities Act of 1990, as amended. Any approvals given by Sublandlord shall not constitute a representation or warranty as to such conformity; responsibility therefore shall at all times remain with Concessionaire.

(e) All designs, colors, materials and construction shall be furnished as set forth in the Plans and Specifications. Concessionaire acknowledges that Sublandlord, or its designee, may from time to time inspect the progress of the work for conformance to the Plans and Specifications. In the event Sublandlord, or its designee, determines, in their sole judgment, there is a material deviation from the Plans and Specifications, Concessionaire agrees, upon notice from Sublandlord, to promptly effect repairs or modifications to the improvements so as to conform to the Plans and Specifications. Concessionaire acknowledges and agrees that the any improvements to the Concessionaire Premises are subject to the inspection and acceptance of Sublandlord and the Port Authority.

#### **Section 4.3 CHANGES TO THE TERMINAL**

Concessionaire acknowledges that it is aware that Sublandlord and the Port Authority each have the right, without compensation, or reimbursement to Concessionaire, or abatement of Rent, to make alterations to the Terminal, including any modifications of the Common Areas and, in connection with such alterations, may erect temporary scaffolds and other temporary aids to construction on the exterior of the Concessionaire Premises, and to install, maintain, use, repair and replace within the Concessionaire Premises pipes, ducts, conduits, wires and all other mechanical equipment serving other parts of the Terminal or Airport.

### **ARTICLE V CONDUCT OF BUSINESS BY CONCESSIONAIRE**

#### **Section 5.1 PERMITTED OPERATIONS**

(a) Concessionaire shall use the Concessionaire Premises only for the purpose of conducting the Permitted Operations and for no other use or purpose, without first obtaining the prior written consent of the Sublandlord and the Port Authority, as set forth in the Port Authority Consent. If any governmental license or permit shall be required for the proper and lawful conduct of any business or other activity conducted in the Concessionaire Premises, then Concessionaire shall duly procure and thereafter maintain each such license or permit and submit the same for inspection by Sublandlord or the Port Authority upon request therefore by Sublandlord and Port Authority, as the case may be.

(b) Notwithstanding the foregoing, the Permitted Operations shall exclude any operation that:

(i) Materially interferes with the reasonable use, by third-parties, of the Common Areas;

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- (ii) Hinders emergency personnel (including, but not limited to police, fire and rescue personnel);
  - (iii) Constitutes a condition hazardous to the safety or health of the general public;
- or
- (iv) Is contrary to rules, regulations, policies or directives of the Port Authority.

(c) In addition to the uses excluded by (b), above, Concessionaire agrees that it may not receive any revenues or profits with respect to any of the following uses, operations or installations which the Port Authority has reserved to itself and its designees exclusively in the Terminal: VIP lounges, airline clubs, monorail facilities, if any, advertising (including, without limitation, static display, broadcast and other), pay telephones, rental of cellular phones intended for use solely within the Airport, facsimile transmission machines and other public communication services, concierge services (i.e., a center or location which offers a variety of services for passengers, including, but not limited to hotel reservations, sale of entertainment events tickets and lottery tickets, luggage storage and delivery, sightseeing tours, business services and provision of touring information), ground transportation, including vehicle rentals, hotel and other lodging reservations, vending machines dispensing anything, including but not limited to, catalog and electronic sales, (save and except for those owned and operated by Concessionaire within the Concessionaire Premises selling goods and services by Concessionaire from the Concessionaire Premises), other than products specifically permitted to be sold in the Concessionaire Premises pursuant to this Sublease and, if approved by the Port Authority, on-airport baggage carts or other on-airport baggage-moving devices, electronic amusements, and public service airport operation information, messages and announcements.

(d) Concessionaire shall be specifically required and obligated to have continuously in-stock, on display and available for sales a full and complete stock of merchandise consistent with only the Permitted Operations as more fully set forth in the Terminal Rules (Exhibit H). Upon request, Concessionaire must promptly provide Sublandlord, or its designee, with a complete list of all merchandise and prices. Concessionaire understands that its rights hereunder are nonexclusive and agrees that Sublandlord has the right to grant privileges under separate agreements for other concession services that may or may not be similar to the privileges granted herein to Concessionaire. In the event of a dispute between Concessionaire and any other lessee, licensee or concessionaire as to the respective rights of the respective lessees, licensees or concessionaires, Sublandlord shall determine the rights of each lessee, licensee or concessionaire and Concessionaire agrees to be bound by such decision.

## Section 5.2 OPERATION OF BUSINESS

(a) Concessionaire agrees and covenants to be open for business and diligently conduct its business (1) in a commercially reasonable manner, fully staffed with personnel that have been trained and are qualified for the positions held and duties to be discharged; (2) on such days and during such hours as determined from time to time by the Sublandlord; and (3) in accordance with the rules and regulations promulgated from time to time by the Sublandlord to regulate the use, occupancy and operation of the Concessionaires in the Premises, all of the foregoing being the "Standards of Operation" as more fully set forth in Exhibit H.

(b) Concessionaire shall promptly comply with all present and future Laws of all Governmental Authorities and shall neither (i) do or permit anything to be done in or about the Concessionaire Premises which will violate any Laws; nor (ii) cause or knowingly permit anything to occur in the Concessionaire Premises which constitutes a violation or breach of the Master Lease or cause Sublandlord to be in breach or violation of said Master Lease.

(c) Concessionaire shall maintain a street pricing policy whereby certain goods, services, food or beverages, shall be subject to the restrictions and policies of the Port Authority.

(d) Concessionaire covenants and agrees to (1) assist and support all efforts of the Sublandlord and others to provide deliveries from the public access areas of the Terminal to and from the Premises and the Concessionaire Premises to and from the secure areas of the Terminal; and (2) coordinate with Sublandlord and others in matters essential to the efficient operation of the Premises and the Terminal.

(e) Sublandlord's Right to Monitor Performance

(i) Concessionaire shall maintain and operate the concessions granted hereunder in an orderly, proper and first-class manner which, in the sole judgment of Sublandlord, does not annoy, disturb or offend others at the Terminal. Sublandlord shall have the right to raise reasonable objections to the condition of the Concessionaire Premises, the quality and quantity of merchandise, the character of the service, the hours of operation, the appearance and performance of service personnel and to require any such conditions or practices objectionable to Sublandlord to be remedied by Concessionaire. If requested by Concessionaire, Sublandlord shall reduce its objections to writing and provide Concessionaire an opportunity to reply to the objections, such reply to be given consideration by Sublandlord.

(ii) Concessionaire hereby acknowledges and agrees that Sublandlord shall have the right, at its cost, to conduct, or have its designee conduct, periodic audits, inspections, reviews and/or tests of Concessionaire's operations at any time through the use of its own direct review, the use of third parties and/or other means that do not unduly interfere with Concessionaire's operations. Concessionaire acknowledges that such audits and reviews will be conducted by Sublandlord, or its designee, and hereby agrees to cooperate with any such performance audit. Said performance audits may include minimum objective standards in the areas of (1) product quality, (2) customer service and (3) cleanliness and maintenance. If Concessionaire fails to meet minimum standards in any of these areas, Sublandlord may, at its discretion, assess liquidated damages as set forth herein.

(iii) Repeated violations and deficiencies in performance by Concessionaire, or its permitted sublessees, may be cause, at Sublandlord's sole discretion, to terminate this Sublease.

(f) Failure to Comply with Standards of Operation

(i) Concessionaire acknowledges Sublandlord's desire to provide the public and air traveler with the level and quality of service as described herein. Accordingly, Sublandlord has established a series of fees, as set forth in Table 1 of this Section 5.02(g), that it may assess, in its sole discretion, for various violations of this Sublease, as amended, as additional Marketing Fee

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(as said term is defined herein). Concessionaire and Sublandlord agree that the fees set forth herein are reasonable, and Concessionaire further agrees to pay to Sublandlord such fees in accordance with the rates or in the amounts specified herein upon written demand by Sublandlord. Concessionaire further acknowledges such fees are not exclusive remedies and Sublandlord may pursue other remedies, as allowed for in this Sublease, as amended, at its sole discretion.

(ii) Multiple Violations. Except for violations of requirements regarding operating hours, health code violations, and delivery and vendor access infraction, which shall accrue immediately and without notice upon violation, other fees shall not be assessed unless the violation continues for more than three (3) calendar days after Sublandlord has given to Concessionaire written notice of the violation; provided, however, after Sublandlord has given Concessionaire notice of a violation of the same operating requirement more than twice during any twelve (12) month rolling year commencing upon the first notice of violation of said operating requirement, the fee shall be immediately assessed with no opportunity to cure. Further, after two (2) violations of the same operating requirement within any twelve (12) month rolling year commencing upon the first notice of violation of said operating requirement, Sublandlord reserves the right, in its sole discretion, to deem said repeated violations a default hereunder and to seek any other remedies available to it under this Sublease, as amended, including, but not limited to, termination of this Sublease.

**Table 1**  
**Performance Standard Fines**

Infraction	Fee Schedule
Required merchandise not available	\$500 per day
Premises unclean, trash not picked up	\$500 per day
Signage policy infraction	\$50 per incident
Pricing policy infraction (following one notices)	\$100 per occurrence
Late Market Basket Survey	\$100 per day
Delivery and vendor access infractions	\$100 per occurrence
Operating Hours infraction (any locations)	\$100 first occurrence; \$250 second occurrence; \$500 third occurrence; \$1,000 per occurrence thereafter
Inadequate Staffing (per location) (As evidenced by actual staffing levels significantly deficient from Staffing Schedule set forth in Exhibit J.)	\$100 first occurrence; \$250 second occurrence; \$500 third occurrence; \$1,000 per occurrence thereafter
Health Code Violations (per location) Scores below 90% Scores below 80% Scores below 70%	\$50 per occurrence \$100 per occurrence \$150 per occurrence
Performance Audit Scores (per location) Scores below 90% Scores below 80% Scores below 70%	\$50 per occurrence \$100 per occurrence \$150 per occurrence

(g) Marketing Costs Recovery. Upon request by Sublandlord, but not earlier than the Minimum Annual Guaranteed Rent Commencement Date, Concessionaire shall pay to Sublandlord, as Additional Rent during each calendar year, a marketing costs recovery fee ("Marketing Fee") in the amount of \$25,000.00 per year, as reimbursement of Concessionaire's share of the costs of advertising, promotion and employee training programs conducted by Sublandlord, or its designees, relating to the concession program in the Terminal. At the beginning of each calendar year after the first (1<sup>st</sup>) anniversary of the Commencement Date, the Marketing Fee shall be increased in proportion to the increase in CPI during the prior calendar year.

(h) In addition to its general obligation to comply with applicable Laws, Concessionaire specifically agrees to comply with all Port Authority, Transportation Security Administration, Federal Aviation Administration and Sublandlord security directives, rules and regulations, in effect as of the Commencement Date or as may be modified or enacted from time to time throughout the Term. Concessionaire understands and agrees that fines and/or penalties may be assessed by the TSA or FAA for Concessionaire's noncompliance with the provisions of 49 CFR Parts 1540 and 1542 entitled "Airport Security" or by other agencies for noncompliance with regulations applicable to Concessionaire's operations. In the event the Port Authority or Sublandlord shall be subject to any fine or penalty by reason of any violation at the Terminal of any such rule, regulation or standard, the Port Authority or Sublandlord may conduct an investigation and make a determination as to the identity of the party responsible for the violation. If it is determined by the Port Authority or Sublandlord that Concessionaire, or any party for which Concessionaire is liable under this Sublease, as amended, is responsible for all or part of the fine or penalty, the Concessionaire shall pay said amount of the fine or penalty.

### Section 5.3 HAZARDOUS MATERIALS

(a) For the purposes of this Sublease, the following terms shall have the following meanings: (i) the term "Hazardous Materials" shall mean: (A) any materials or substances that, whether by its nature or use, are subject to regulation under any Environmental Requirement, or (B) any materials, substances or wastes which are toxic, ignitable, explosive, corrosive or reactive, or (C) asbestos, or (D) petroleum and petroleum-based products, or (E) formaldehyde, or (F) polychlorinated biphenyls (PCB's), or (G) freon and other chlorofluorocarbons or (H) such other materials as are designated in a notice from Sublandlord to Concessionaire (whether such notice is provided before or after Concessionaire first commences to use any such materials and; (ii) the term "Environmental Requirement" shall include the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), all as presently in effect and as the same may hereafter be amended, any regulation pursuant thereto, or any other present or future law, ordinance, rule, regulation, order or directive addressing environmental, health or safety issues of or by any Governmental Authority.

(b) Both Concessionaire and Sublandlord acknowledge that one or more Governmental Authorities may require that employees of each and others be made aware of the conditions within which they are being asked to work and, in an effort to disclose such conditions to said employees, Sublandlord hereby (i) represents to Concessionaire that, other than those Hazardous Materials to which Sublandlord has notified Concessionaire in writing, there are no Hazardous Materials in the Terminal; and (ii) agrees that, if any Hazardous Materials are generated, manufactured, sold, transported or located at, on, in, under or about the Terminal, other than as a result of an act or omission of the Concessionaire, then Sublandlord shall at no cost, expense or liability to Concessionaire, to (1) cleanup and take whatever corrective action of any kind required under any Environmental Requirement; and (2) indemnify and hold harmless the Concessionaire from all losses, costs, expenses and liabilities therefrom, provided however the foregoing prohibition concerning Hazardous Materials shall not prevent the use of regular consumer products which contain amounts of such Hazardous Materials that are not prohibited by any law applicable

thereto.

(c) Concessionaire covenants and agrees that by, through or under it (i) no Hazardous Materials will be generated, manufactured, sold, transported or located at, on, in, under or about the Concessionaire Premises; (ii) no Hazardous Material will be generated, manufactured, sold, transported or located at, in, on, under or about the Concessionaire Premises in a manner which violates any Environmental Requirement, or which requires cleanup or corrective action of any kind under any Environmental Requirement and (iii) no Hazardous Materials will be transported, released, emitted, sold, discharged, leached, dumped or disposed of from the Concessionaire Premises onto or into the Common Areas.

(d) Concessionaire covenants and agrees that it shall (i) notify the Port Authority and Sublandlord promptly in the event of any spill or other release of any Hazardous Materials at, in, on, under or about the Concessionaire Premises which spill or release is required to be reported to a Governmental Authority under any Environmental Requirement; (ii) promptly forward to the Port Authority and Sublandlord copies of any notices it receives relating to the alleged violations of any Environmental Requirement; (iii) promptly pay when due any fine or assessment as a result of its acts or omissions or those of any party acting under its control or direction; and (iv) except to the extent caused by the Sublandlord or its respective affiliates, subtenants, partners, members, management companies, successors and assignees and the employees, agents, officers, directors and commissioners of any of them, defend, indemnify, and hold harmless the Sublandlord and the Port Authority and their respective affiliates, subsidiaries, partners, members, management company, successors and assigns, and the employees, agents, officers, directors and Commissioners of any of them from and against any and all loss, claims, demands, penalties, causes of action, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, court costs, and litigation expenses) directly or indirectly arising out of, or in any way related to (1) any breach by it or any party acting under its control or direction of any of the provisions of this Section 5.03; (2) the presence, use, generation, transportation, disposal, spillage, discharge, emission, leakage, release, or threatened release of any Hazardous Materials which are at, in, on, under, about, from or affecting the Concessionaire Premises, including, but without limitation any damage or injury resulting from any such Hazardous Materials to or affecting the Concessionaire Premises or any soil, water, air, vegetation, buildings, personal property, persons or animals; (3) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any such Hazardous Materials; or (4) any lawsuit brought or threatened, settlement reached, or order or directive of or by any Governmental Authority relating to such Hazardous Materials. The obligations set forth in this Section 5.3 shall survive the expiration or sooner termination of the Sublease.

## **ARTICLE VI COMMON AREAS**

### **Section 6.1 DEFINITION OF COMMON AREAS**

For the purpose of this Sublease, the term "Common Areas" shall mean, all portions of the interior of the Terminal, save and except for those portions included within each of the

Concessionaire Premises, intended to be used and used by either (a) the public or (b) the Sublandlord or Concessionaires in the course of receiving and making deliveries to the Premises. The Common Areas shall include but are not limited to: (i) ticketing areas and facilities, gate seating areas, hallways, elevators, escalators, stairs, restrooms and comfort stations, service areas, passageways and other public areas, amenities, facilities and improvements in the Terminal; and (ii) those areas within the Terminal as may be provided by either the Sublandlord or the Port Authority, from time to time for the convenience and use by the public or the Sublandlord or Concessionaires.

#### **Section 6.2 USE OF COMMON AREAS**

Upon payment of the Rent and the performance and observance of all terms and conditions in this Sublease to be performed and observed by the Concessionaire, the right to possession of the Concessionaire Premises shall also include the non-exclusive right to the use of the Common Areas with all others for whose convenience and use both the Common Areas have been or may hereafter be provided by the Port Authority or the Sublandlord, or both, subject however, to such rules and regulations for the use thereof as may be prescribed from time to time by either or both of the Sublandlord and the Port Authority.

#### **Section 6.3 OPERATION AND MAINTENANCE; TERMINAL AND COMMON AREAS**

Sublandlord agrees, at no cost to Concessionaire, to keep all portions of the Terminal in good order and repair, and in full compliance with all Laws, including but not limited to all HVAC equipment, plumbing (including sewage systems), electrical, fire protection (including any sprinkler systems in the Terminal) and other systems and facilities servicing the Terminal, foundations, and the structural soundness of the floors and exterior walls in good order, repair and condition provided however the provisions of this section shall not apply in the case of damage or destruction by fire or other casualty or a taking under the power of eminent domain, in which events the obligations of the Sublandlord shall be controlled by either Article XI or XII, respectively, of the Master Lease and further provided that Sublandlord shall have the obligation to maintain or cause to be maintained the cleanliness and orderliness of the Food Court Common Areas, but such limited obligations shall not impose any obligation on the part of the Concessionaire to repair, restore, refurbish, correct, install, or in any other manner make any changes, alterations, improvements or the like to any portion of said Food Court Common Areas. The foregoing obligations of the Sublandlord shall include, but are not limited to, the responsibility and liability for the repair, maintenance, replacement and restoration of all systems servicing the Premises or all portions thereof, save and except for, and to the extent of, those systems installed within any of the Concessionaire Premises, by the Concessionaire to the extent that such system services only the Concessionaire Premises.

#### **Section 6.4 OPERATIONS AND MAINTENANCE FEE**

Concessionaire shall pay to Sublandlord, as Additional Rent, an Operations and Maintenance Fee ("O&M Fee") in the amount of Concessionaire's Proportionate Share of all costs and expenses incurred by Sublandlord for the benefit of Concessionaire in the operation of the Terminal ("O&M Costs"). O&M Costs include, but are not limited to: Food Court CAM Costs, as that term is defined hereinafter; trash removal; operation, maintenance and repair of heating,

cooling and ventilation systems; water, power, gas and sewerage charges; and all other direct costs and expenses properly chargeable to the ownership, operation, maintenance or repair of such systems and services.

Concessionaire's Proportionate Share of the O&M Costs shall be a fraction, the numerator of which shall be the Floor Area of the Concessionaire Premises, as that term is hereinafter defined, and the denominator shall be the sum of the floor areas leased and occupied by all concessionaires to which the O&M Costs, in whole or in part, are allocated by the Sublandlord in the exercise of its business judgment. The O&M Fee shall be paid in monthly installments on the first day of each calendar month, beginning on the Commencement Date, in advance, in an amount estimated by Sublandlord as and for Additional Rent. After the end of each calendar year, Sublandlord shall furnish Concessionaire with a statement, of the actual O&M Costs paid and O&M Costs incurred by Sublandlord during such period, prepared in accordance with sound accounting practices. If the total amount Concessionaire has paid on account of O&M Fee for any calendar year (or partial calendar year, as the case may be) is less than the amount due from Concessionaire for such calendar year or partial calendar year as shown on such statement, Concessionaire shall pay to Sublandlord the difference between the amount due and the amount Concessionaire has paid within five (5) days after Sublandlord delivers such statement to Concessionaire. If the total amount Concessionaire has paid exceeds the amount due from Concessionaire, such excess shall be credited solely against payments for O&M Fee next coming due, and if no payments are next coming due, then against that portion of the Minimum Annual Guaranteed Rent not to be paid to the Port Authority due subsequently until such credit is exhausted. If that portion of the Minimum Annual Guaranteed Rent not to be paid to the Port Authority due subsequently pursuant to this Sublease is insufficient to fully absorb such excess, Sublandlord shall refund to Concessionaire the part of such excess which cannot be used as a credit as aforesaid.

Food Court CAM Costs are all costs and expenses incurred in the operation, maintenance and repair of Food Court Common Areas including, but not limited to: cleaning; trash removal; operation, maintenance and repair of all lighting, electrical, plumbing, HVAC and other mechanical and utility systems related to the Food Court Common Areas; wiping and retrieval of trays; water, power, gas and sewerage charges related to the Food Court Common Areas; wages and salaries (including employee benefits, unemployment; Social Security and Medicare, and any other payroll taxes) for employees performing Food Court Common Area maintenance services; the cost of materials, equipment, supplies and services purchased for maintenance and repair of Food Court Common Areas; fees for required for permits and licenses; reasonable straight-line depreciation of movable equipment (including tables and chairs) used in the operation, maintenance or repair of Food Court Common Areas; rental of any equipment used in the operation, maintenance or repair of the Food Court Common Areas; amounts paid to any third-party provider of any one or more of the Food Court Common Area operating and maintenance services; and all other direct costs and expenses properly chargeable to the operation, maintenance or repair of the Food Court Common Areas.

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**ARTICLE VII  
MAINTENANCE OF-PREMISES**

(a) Concessionaire shall keep the Concessionaire Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Concessionaire. Any liens will be treated in the same manner as liens pursuant to the Master Lease.

(b) Concessionaire shall cause the Concessionaire Premises to be, at all times, in a first-class condition, relative to the appearance thereof as of the date the Concessionaire initially opened for business in the Concessionaire Premises. Concessionaire covenants and agrees that it shall refurbish and renovate the Concessionaire Premises (in accordance with the terms of this Sublease and the Tenant Alteration Application) no later than October 31, 2012. The scope and extent of necessary refurbishment and renovation for each portion of the Concessionaire Premises shall be jointly determined by Sublandlord and Concessionaire.

**ARTICLE VIII  
INSURANCE AND INDEMNITY**

Section 8.1 **CONCESSIONAIRE'S INSURANCE**

Concessionaire shall obtain and keep in full force and effect (i) an "all risk" insurance policy for its property at the Concessionaire Premises in an amount equal to one hundred percent (100%) of the replacement value thereof, and (ii) a policy of commercial general liability (including premises, operations, product liability, liquor liability and automobile liability, if vehicles will be used on the air side portions of the Airport) on an occurrence basis, (with a broad form contractual liability endorsement under the general liability policy). Such policies shall provide that Concessionaire is named as the insured and Sublandlord and the Port Authority shall be added as additional insureds, as their respective interests may appear with respect to the insurance required to be carried pursuant to (i) above. Such policy described in (ii) above shall include a provision under which the insurer agrees to insure Concessionaire with respect to any cost, expense and liability arising out of, or based upon, any and all claims, accidents, injuries and damages for which Concessionaire is required to indemnify Sublandlord or the Port Authority under the provisions of this Sublease. In addition, such policy shall contain a provision that (a) no act or omission of the Port Authority, Sublandlord or Concessionaire shall affect or limit the obligation of the insurer to pay the amount of any loss sustained and (b) the policy shall be non-cancelable with respect to either Sublandlord or the Port Authority unless thirty (30) days' prior written notice shall have been given to all of the Sublandlord and the Port Authority in the manner set forth in this Sublease for notices, which notice shall contain the policy number and the names of the insured and additional insureds. In addition, upon receipt by Concessionaire of any notice of cancellation or any other notice from the insurance carrier which may materially adversely affect the terms and substance (but not the amounts) of the coverage of the insureds under such policy of insurance, Concessionaire shall promptly deliver to Sublandlord and the Port Authority a copy of such notice. The minimum amounts of liability under the policy of insurance required to be carried pursuant to (ii) above shall be a combined single limit with respect to each occurrence in an amount of \$2,000,000 for injury (or death) to persons and damage to property, which amount shall be increased from time to time after the second (2nd) calendar year (but not more frequently

than once per year) to that amount of insurance which is then being customarily carried by tenants of first-class retail developments in the New York/New Jersey metropolitan area. All insurance required to be carried by Concessionaire pursuant to the terms of this Sublease shall be effected under valid and enforceable policies issued by reputable and independent insurers permitted to do business in the State of New Jersey and New York and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an organization having a national reputation) as having a general policyholder rating of having a general policyholder rating of "A" and a financial rating of at least "XI". In the event of vehicles being used under this Sublease, above-referenced auto liability insurance shall be in limits of no less than \$5,000,000 combined single limit per accident for bodily injury and property damage. The policy(ies) of insurance required to be carried pursuant to (ii) above will include the following statement:

"Further, unless otherwise agreed by the Port Authority, the liability policy shall be specifically endorsed, to prohibit the insurance carrier from raising any defenses involving in any way the jurisdiction of the tribunal, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority without obtaining express advance written permission from the General Counsel of the Port Authority."

Concessionaire and all officers and employees of Concessionaire who may handle or are responsible for the handling of receipts and disbursements shall be covered by insurance in an amount not less than Five Hundred Thousand Dollars (\$500,000) for employee dishonesty coverage against any and all loss, theft, embezzlement or other fraudulent acts on the part of Concessionaire or Concessionaire's employees, and not less than One Hundred Thousand Dollars (\$100,000) for money and securities on or off premises, transit and depositors forgery coverage, indemnifying the Sublandlord and Port Authority, as co-obligees, against any and all loss, theft, embezzlement or other fraudulent acts of the part of Concessionaire or Concessionaire's employees.

#### Section 8.2 **CERTIFICATES**

On or prior to the date hereof, Concessionaire shall deliver to the Sublandlord and the Port Authority certificates of insurance, including evidence of waivers of subrogation required pursuant to this Sublease, required to be carried by the Concessionaire. Evidence of each renewal or replacement of a policy shall be similarly delivered not less than ten (10) days prior to the expiration of each such policy.

#### Section 8.3 **COVENANT TO HOLD HARMLESS**

Concessionaire and Sublandlord covenant, each to the other, to defend and indemnify the other and their respective directors, officers, partners, shareholders, representatives, management company, agents and employees, and save them harmless (except to the extent of loss or damage resulting from the negligence of party that would otherwise be so indemnified) from and against any and all claims, actions, demands, judgments, awards, fines, mechanics' liens or other liens, losses, damages, liability and expense, including attorneys' fees and court costs, in connection with all losses, including loss of life, personal injury and/or damage to property, arising from or

out of any occurrence, upon or at the Premises, as to the Sublandlord, or the Concessionaire Premises as to the Concessionaire, or arising from or out of Concessionaire or Sublandlord's, as the case may be, failure to comply with any provision of this Sublease. In case either Sublandlord or Concessionaire or any other party so indemnified hereunder shall be made a party to any litigation commenced by or against either the Sublandlord or the Concessionaire (and not litigation commenced by or against one against the other), then the Concessionaire or Sublandlord, as the case may be, shall defend, indemnify, protect and save the other harmless and shall pay, as the same becomes due and payable, all costs, expenses and reasonable attorneys' fees and court costs incurred or paid by them in connection with such litigation. The provisions of this section shall survive the expiration, termination or earlier cancellation of this Sublease for any claims, suits, demands, actions, liabilities, loss or damage which occur prior to the expiration, termination or earlier cancellation of this Sublease.

**Section 8.4 WAIVER OF RIGHT OF RECOVERY – INDEMNIFICATION.**

(a) Except as otherwise provided in this Sublease, neither Sublandlord nor Concessionaire shall be liable to the other or the other's insurance company (by way of subrogation or otherwise) for any loss or damage to any building, structure or other tangible property, or any resulting loss of income, or losses under workers' compensation laws and benefits, even though such loss or damage might have been occasioned by the non-gross negligence of Sublandlord or the Concessionaire or their respective agents or employees.

(b) Concessionaire covenants and agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives (collectively the "Port Indemnitees") from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses incurred in connection with the defense of) all claims and demands of third-persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Concessionaire in performing or observing any term or provision in this Sublease, or out of the use and occupancy of the Concessionaire Premises, and its officers, employees and persons who are doing business with Concessionaire, or out of any of the operations, acts or omissions of the Concessionaire, or out of the acts or omissions of others in the Concessionaire Premises with the Concessionaire consent. The foregoing indemnity shall also include 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 City of New York. If so directed by the Sublandlord or the Port Authority, the Concessionaire shall, at its own expense, defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in such handling such party shall not, without obtaining the express written permission from the General Counsel of the Port Authority, raise any defense involving in any way the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statute respecting suits against the Port Authority.

## ARTICLE IX UTILITIES

Sublandlord agrees to initially provide gas, electrical, water, sewer and such other services as Sublandlord shall, in the exercise of its reasonable discretion, determine necessary to each portion of the Concessionaire Premises. With the exception of gas and electricity, as to each of which Sublandlord shall pay all costs for the consumption thereof in all of the Concessionaire Premises, the costs of which shall be included in O&M Costs, the Sublandlord shall have no obligation for the payment of any other utilities used in the Concessionaire Premises. If the Concessionaire Premises shall have installed therein meters for any of the utilities consumed by Concessionaire, the maintenance thereof shall be at the sole cost and expense of the Concessionaire.

## ARTICLE X ASSIGNMENT AND SUBLETTING

### Section 10.1 LIMITATIONS; PROHIBITIONS

Concessionaire covenants and agrees that it shall not transfer or assign this Sublease or its interest herein or all or any part of the letting hereunder, or all or any part of the Concessionaire Premises, without obtaining the prior written consent of Sublandlord, which shall not be unreasonably withheld, and the Port Authority. Any attempted transfer, assumption, assignment or sublease shall be void, *ab initio*, and infer no rights upon any third-parties. No amendment, transfer, assumption or contract shall relieve the Concessionaire of any of its obligations under this Sublease. Consent to the foregoing by any one or more of the Port Authority and Sublandlord shall not be deemed a waiver on the part of either or both of the Port Authority or Sublandlord to any prohibition against any future transfer, assignment, assumption or sublease. The term "transfer" includes, but is not limited to transactions in which any interest of the Concessionaire in this Sublease or the Concessionaire Premises are mortgaged or otherwise encumbered or in which the Concessionaire sublets, rents or otherwise permits occupancy or use of the Concessionaire Premises or any part thereof. If Concessionaire is a corporation, any sale, assignment or transfer, by operation of law or otherwise, by which control of the majority of the issued or outstanding stock of said corporation shall change, shall be deemed to be a transfer, provided, however if such corporation is a corporation whose stock is publicly traded on a national securities exchange or on the "over-the-counter" market, then such sale, assignment or transfer of stock shall not be deemed a transfer. If Concessionaire is a corporation, or if Concessionaire is a corporation whose stock is owned by a corporation ("Parent"), any transfer of any issued or outstanding stock of the Concessionaire or Parent which is a transfer shall require the prior consent or approval of the Sublandlord and the Port Authority. A sale of only those of the assets of any such corporation which are limited to less than all of the assets of the corporation, e.g., the Concessionaire Premises, shall be a "transfer" within the scope of this provision and require the prior written consent of the Port Authority and the Sublandlord. If Concessionaire is a partnership or joint venture, any sale, assignment or transfer, by operation of law or otherwise, of any interest in such partnership or joint venture shall be deemed to be a transfer. If Concessionaire is a limited liability company, any sale, assignment or transfer, by operation of law or otherwise, by which control of the majority of the membership interests in such limited liability company shall change, shall be

deemed to be a transfer, provided, however, if the membership interests of such limited liability company are publicly traded on a national securities exchange or on the "over-the-counter" market, then this restriction on sale, assignment or transfer of membership interests shall be inapplicable.

Notwithstanding the foregoing provisions of this Article X containing a definition of the term "transfer" and exclusions or exceptions thereto, which shall not be binding upon or enforceable against the Port Authority, and regardless of whether the Sublandlord has in fact consented to any further subletting of the Concessionaire Premises or a proposed transfer, Sublandlord's consent will be of no force and effect and shall not be binding upon the Port Authority in any manner whatsoever. No such further subletting or a proposed transfer shall be effective and no estate or benefit shall be conferred on anyone until such time as the Port Authority has consented in writing, as determined in the Port Authority's sole and absolute discretion, to any such further subletting or a proposed transfer (including, without limitation, nothing otherwise permitted in this Article X shall become effective until such time as the transferee, any other applicable parties and the Port Authority have entered into an agreement in form and substance required by the Port Authority). In addition, the terms and provisions of the Port Authority Consent which in any way discusses and/or addresses the subject matter covered in this Article X shall be controlling and shall govern. Further, if this Sublease is assigned by Sublandlord and assumed by the Port Authority for any reason whatsoever, the Port Authority shall have the right to determine, in its sole and absolute discretion, whether any of the provisions of this Article X (which are stated to be between the Concessionaire and the Sublandlord) shall be binding upon and enforceable against the Port Authority and thereafter be considered to be a part thereof.

#### **Section 10.2 DBE CHANGE NOTICE**

If Concessionaire is a DBE, Concessionaire shall notify the Sublandlord and the Port Authority, in the manner as set forth in Section 17.6, below, of each and every change in the ownership or ownership structure of Concessionaire ("Change Notice") within thirty (30) days after each such change.

### **ARTICLE XI DAMAGE AND DESTRUCTION**

#### **Section 11.1 DAMAGE TO THE CONCESSIONAIRE PREMISES**

In the event of damage to, or destruction of; any portion of the Premises or Concessionaire Premises, or the fixtures and equipment therein and said portion, fixtures or equipment was originally within the Sublandlord' Work, or any system within the Concessionaire Premises being the obligation of the Sublandlord to maintain, replace, or restore, the Sublandlord shall promptly, at its sole cost and expense, repair, restore or rebuild the same to substantially the same condition existing immediately prior to the happening of such fire or other casualty. Notwithstanding any damage to the Concessionaire Premises, to the extent that the Concessionaire Premises can be reasonably operated without risk of injury or damage to person or property, Concessionaire agrees to open, or reopen, as the case may be, and, in all events, to reopen for business immediately upon the completion of the foregoing repairs, restoration and rebuilding. In the event the work to be

done by Sublandlord is not completed within three hundred sixty-five (365) days following the date of said damage, then Sublandlord has the right to terminate the Concessionaire Sublease, as to that portion, or those portions of the Concessionaire Premises, so damaged. Upon such termination, the Minimum Annual Guaranteed Rent shall be adjusted in proportion to the floor area of the Concessionaire Premises terminated to the floor area of the Concessionaire Premises as of the day of said damage.

#### **Section 11.2 DAMAGE TO TERMINAL**

In the event of damage to, or destruction of, any portion of the Terminal, other than as set forth in Section 11.01, above, Sublandlord shall promptly, at its sole cost and expense, repair, restore or rebuild the same to substantially the same condition existing immediately prior to the happening of such fire or other casualty. In the event the work to be done by Sublandlord is not completed within three hundred sixty-five (365) days following the date of said damage, then Sublandlord has the right to terminate the Master Lease, as to that portion, or those portions of the Concessionaire Premises so damaged. If Sublandlord exercises such right, and the portion of the Concessionaire Premises affected thereby includes the Concessionaire Premises, then this Sublease shall end, as of the date of said termination. Upon such termination, the Minimum Annual Guaranteed Rent shall be adjusted in proportion to the floor area of the Concessionaire Premises as to which this Sublease was terminated to the floor area of the Premises as of the day of said damage.

### **ARTICLE XII EMINENT DOMAIN**

#### **Section 12.1 CONDEMNATION**

(a) If the whole of the Premises or any portion of the Concessionaire Premises shall be taken by any public authority under the power of eminent domain or sold to a public authority under threat or in lieu of such taking, then the Term shall cease as of the day upon which possession is taken by such public authority, and the Rent shall be paid up to that day.

(b) A voluntary sale or transfer of interest-of all or any part of the Premises or of the Terminal to any public or quasi-public body, agency, person or other entity, corporate or otherwise, having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed to be a taking under the power of eminent domain for the purposes of this Article 12.

#### **Section 12.2 DAMAGES AND AWARDS**

All awards and damages for such taking under the power of eminent domain or proceeds from any sale under threat or in lieu of such a taking, shall belong to and be the property of the Sublandlord or the Port Authority, irrespective of whether such damages shall be awarded or proceeds obtained as compensation for diminution in value to the leasehold improvements thereto, and Concessionaire shall have no claim against Sublandlord or the condemning authority with respect thereto; provided, however, neither the Sublandlord nor the Port Authority shall be entitled

to any award specifically designated as compensation for, depreciation to, or cost of removal of, the stock and trade fixtures of the Concessionaire.

## **ARTICLE XIII DEFAULT**

### **Section 13.1 EVENTS OF DEFAULTS BY CONCESSIONAIRE**

Events of Default. It shall be an "Event of Default" hereunder if any of the following shall occur:

(a) **Failure to Make Payment**

(i) Concessionaire fails to make any payment of Rent to the Sublandlord, and such failure continues for a period of five (5) days after written notice thereof to Concessionaire.

(ii) Concessionaire fails to make any payment of Rent to the Port Authority within the cure period permitted by the Port Authority.

(b) Concessionaire defaults or otherwise fails to perform or observe any of the covenants, terms or conditions contained in this Sublease to be performed or otherwise observed by Concessionaire (except for the payment of Rent, as set forth in (a), above) and such default or failure is not cured or performed within fifteen (15) days after written notice to Concessionaire.

(c) Pursuant to an order, judgment or decree entered by any court of competent jurisdiction (i) a receiver, trustee or liquidator of Concessionaire or of all or substantially all of the assets of Concessionaire shall be appointed or (ii) Concessionaire shall be adjudicated a bankrupt or insolvent, or (iii) a petition seeking reorganization of Concessionaire or an arrangement with creditors or a petition to take advantage of any insolvency law shall be approved, and Rent shall not thereafter be paid in accordance with the terms hereof.

(d) If Concessionaire is a DBE, a failure to provide the Change Notice as required pursuant to Section 10.2, hereof.

(e) An Event of Default occurring under any other Concessionaire Sublease with Sublandlord entered into, on or after the date hereof, for one or more portions of the Terminal.

(f) Failure to timely deliver the Bond, and each replacement thereof.

(g) The act or omission of the Concessionaire which, under the terms of this Sublease or the Master Lease is prohibited and which, if not timely corrected, would result in the Port Authority having the right to terminate either or both of the Master Lease or this Sublease.

### **Section 13.2 RIGHTS AND REMEDIES; SUBLANDLORD**

(a) If there exists an Event of Default by Concessionaire, Sublandlord, after fifteen (15) days notice from Sublandlord that Sublandlord intends to cure such Event of Default, shall have the right, but not the obligation, to cure same and Concessionaire shall pay to Sublandlord, upon

demand, as Additional Rent the reasonable cost thereof plus interest at the Default Rate until such Additional Rent has been paid in full.

(b) If there exists an Event of Default, Sublandlord shall have the right, in addition to the rights set forth in Section 13.2(a) above, to seek all remedies as are available at law or in equity.

(c) After a dispossession or removal in accordance with Law, Sublandlord may re-sublet the Concessionaire Premises or any part or parts thereof either in the name of Sublandlord or otherwise, for a term or terms which may, at the option of Sublandlord, be greater or less than the period which would otherwise have constituted the balance of the Term, and Concessionaire shall be obligated to pay Sublandlord any deficiency between the Rent due hereunder and the amount, if any, of the Rent collected on account of the new sublease or subleases of the Concessionaire Premises for each calendar year, or portion thereof, which would otherwise have constituted the balance of the Term. In computing such damages there shall be added to said deficiency the costs for reasonable attorneys' and brokerage fees which Sublandlord actually expends in connection with re-subletting the Concessionaire Premises. Such damages shall be paid by Concessionaire in installments on the dates specified in this Sublease for payment of Minimum Annual Guaranteed Rent and any suit brought to collect the amount of the deficiency for any period shall not prejudice in any way the rights of Sublandlord to collect the deficiency for any subsequent period by a similar proceeding. Sublandlord shall not be liable for failure to re-sublet the Concessionaire Premises or, in the event that the Concessionaire Premises are re-sublet, for failure to collect the Rent under such re-subletting.

#### **ARTICLE XIV TAXES ON PROPERTY OF CONCESSIONAIRE**

Concessionaire, solely, and neither the Sublandlord nor the Port Authority are or shall be responsible or liable for any taxes, assessments, levies, fees and other governmental charges and impositions of any and every kind or nature, regular or special, direct or indirect, foreseen or unforeseen or known or unknown, levied or assessed by municipal, county, state, federal or other governmental taxing or assessing authority, upon, against or with respect to (i) Concessionaire's leasehold interest in the Concessionaire Premises, or (ii) furniture, fixtures, equipment, inventory and any other personal property of any kind owned by, or placed, installed or located in, within, upon or about the Concessionaire Premises by Concessionaire.

#### **ARTICLE XV HOLDING OVER**

Any holding over after the expiration of the Term shall be construed to be a tenancy from month-to-month and the Minimum Annual Guaranteed Rent payable, on a monthly basis, shall be at an amount equal to one-twelfth (1/12th) of 200% of the Minimum Annual Guaranteed Rent required to be paid by Concessionaire for the last full year of the Term.

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**ARTICLE XVI  
QUIET ENJOYMENT**

Upon payment by Concessionaire of Rent and upon the timely observance and full performance of all the covenants, terms and conditions on Concessionaire's part to be observed and performed under this Sublease and the Port Authority Consent, Concessionaire shall peaceably and quietly hold and enjoy the Concessionaire Premises for the Term, free from and without hindrance or interruption by Sublandlord or any other person or persons claiming by, through or under Sublandlord, subject however, to the Master Lease and the Port Authority Consent.

**ARTICLE XVII  
MISCELLANEOUS**

**Section 17.1 ESTOPPEL STATEMENT.**

At any time and from time to time, both parties agree that, upon request in writing from the Sublandlord or the Port Authority, or their respective designee, to execute, acknowledge and deliver, within ten (10) days after request therefore, to the requesting party or its designee, a written statement certifying that this Sublease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications) and the dates to which the Rent has been paid, the Minimum Annual Guaranteed Rent Commencement Date, the Expiration Date, and such other pertinent and reasonable information regarding this Sublease and Concessionaire's occupancy of the Concessionaire Premises as may be requested.

**Section 17.2 WAIVER; ELECTION OF REMEDIES**

One or more waivers of any covenant or condition by Sublandlord or the Port Authority shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Sublandlord or the Port Authority to or of any act of Concessionaire requiring consent or approval of either, any or both of the Sublandlord, and the Port Authority shall not be deemed to render unnecessary such consent or approval to or of any subsequent similar act. No breach by Concessionaire of a covenant or condition of this Sublease shall be deemed to have been waived by either, any or both of the Sublandlord or the Port Authority unless such waiver is in writing signed by each non-breaching party. Rights and remedies under this Sublease or under any specific section, subsection or clause hereof shall be cumulative and in addition to any and all other rights and remedies which each party has or may have elsewhere under this Sublease or at law or in equity, whether or not such section, subsection or clause expressly so states.

**Section 17.3 ENTIRE AGREEMENT**

The Glossary and Basic Sublease Provisions, this Sublease and all exhibits and/or addendum(s), and/or rider(s), if any, attached to this Sublease are hereby made a part of this Sublease, with full force and effect as if set forth herein. This Sublease supersedes all prior agreements between the parties hereto and sets forth all the covenants, promises, agreements and

conditions, and understandings between Sublandlord and Concessionaire concerning the Concessionaire Premises, and there are no actual or implied covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are set forth herein and none thereof shall be used to interpret, construe, supplement or contradict this Sublease. The parties agree that any deletion of language from this Sublease prior to its mutual execution by Sublandlord and Concessionaire shall not be construed to have any particular meaning or to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse, obverse or opposite of the deleted language. No alteration, amendment, change or addition to this Sublease shall be binding upon Sublandlord or Concessionaire unless reduced to writing and signed by each party.

#### **Section 17.4 INTERPRETATION; USE OF PRONOUNS; AUTHORIZATION**

Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of a joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent, any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant. Whenever herein the singular number is used the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.

#### **Section 17.5 DELAYS; FORCE MAJEURE**

Time is of the essence in the performance under this Sublease. In the event Sublandlord or Concessionaire shall be delayed in the performance of any obligation, covenant, agreement or other undertaking required of it under this Sublease, by reasons of strikes; lockouts; labor disputes; Acts of God; inability to procure labor, materials, or reasonable substitutes therefor; or shall at any time be so delayed by reason of the diminution of power or power failure(s); restrictive governmental laws or controls; judicial orders; enemy or hostile governmental action; civil commotion; fire or other casualty, or reasons of a similar nature not the fault of the party delayed in performing work or doing acts required under the terms of this Sublease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, that the time for performance shall in no event be extended due to financial or economic problems of any party. Notwithstanding anything to the contrary, the occurrence of any of the events of force majeure herein described shall not excuse Concessionaire's obligations to pay Rent on a timely basis.

#### **Section 17.6 NOTICES**

Any notice or demand to Concessionaire or from Concessionaire to Sublandlord or the Port Authority shall be in writing and shall be mailed by either (a) certified mail addressed, return receipt requested with proper postage affixed thereto or (b) a Delivery Service, prepaid, if to Concessionaire, at the address of Concessionaire as set forth in the Glossary and Basic Sublease Provisions, or such other address as Concessionaire shall have last designated by notice in writing to Sublandlord and the Port Authority, and, if to Sublandlord or the Port Authority, to the address set forth in the Glossary and Basic Sublease Provisions, or such other address as Sublandlord shall have last designated by notice in writing to Concessionaire. Any notice sent or otherwise delivered

in accordance with the foregoing shall be deemed served and effective upon the earlier of (i) the date of receipt or refusal to accept delivery, (ii) the second business day following the date upon which the notice has been delivered to the Delivery Service; or (iii) the third business day following the date upon which the notice has been deposited with the U.S. Postal Service with proper postage thereon.

**Section 17.7 CAPTIONS AND SECTION NUMBERS**

The captions, section numbers and article numbers and index appearing in this Sublease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles of this Sublease or in any way affect this Sublease.

**Section 17.8 BROKERS' COMMISSIONS**

Concessionaire and Sublandlord represent and warrant each to the other and the Port Authority that there are and shall be no claims for brokerage commissions or finder's fees in connection with this Sublease, and each party agrees to indemnify the other, the Sublandlord and the Port Authority and hold each and all of them harmless from all liabilities arising from any claim for brokerage commissions and finder's fees in connection with this Sublease. Such agreement shall survive the expiration or sooner termination of this Sublease.

**Section 17.9 SUCCESSORS**

All rights and liabilities herein given to, or imposed upon, the parties to this Sublease shall inure to and be imposed upon the respective heirs, executors, administrators, permitted successors and assigns of the said parties; and if there shall be more than one Concessionaire, they shall all be bound jointly and severally by the terms, covenants and agreements herein.

**Section 17.10 GOVERNING LAW**

This Sublease shall be governed by and construed in accordance with laws of the State of New York. If any provision of this Sublease or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties, to the extent possible; in any event, all other provisions of this Sublease shall be deemed valid and enforceable to the full extent.

**Section 17.11 SURVIVAL OF OBLIGATIONS**

All obligations of both the Concessionaire and Sublandlord which cannot be ascertained to have been fully performed prior to the end of the Term, or any earlier termination hereof shall survive the expiration or termination of this Sublease, whichever occurs earlier.

**Section 17.12 ATTORNEYS' FEES.**

If at any time after the date that this Sublease has been executed by Sublandlord and Concessionaire, either Sublandlord or Concessionaire institutes any action or proceeding against the other relating to the provisions of this Sublease or any default hereunder, the non-prevailing party in such action or proceeding shall reimburse the prevailing party for the reasonable expenses

of attorneys' fees and all costs and disbursements incurred therein by the prevailing party, including, without limitation, any such fees, costs or disbursements incurred on any appeal from such action or proceeding. Subject to the provisions of the Law, the prevailing party shall recover all such fees, costs or disbursements as costs taxable by the court or arbiter in the action or proceeding itself without the necessity for a cross-action by the prevailing party. Notwithstanding anything to the contrary contained herein, if either Sublandlord or Concessionaire engages the services of attorneys (either outside counsel or in-house counsel) to enforce the provisions of this Sublease, to the extent that either incurs any cost or expense (including such reasonable attorneys' fees for outside counsel or payroll and overhead expenses for in-house counsel, as the case may be) in connection with such enforcement, including instituting, prosecuting or defending its rights in any action, proceeding or dispute by reason of any default by Concessionaire or Sublandlord, as the case may be, sums so paid or billed to Sublandlord or Concessionaire, as the case may be, together with all costs and disbursements, shall be paid by the Concessionaire to the Sublandlord, or Sublandlord to Concessionaire, as the case may be, within ten (10) days after demand therefor. If Concessionaire fails to timely pay same, such will be deemed Rent and thereafter be due together with interest at the Default Rate. If Sublandlord fails to timely pay, such amount may be offset from the Minimum Annual Guaranteed Rent thereafter becoming due and payable to Sublandlord, but may not be offset against any rent thereafter becoming due and payable to the Port Authority, together with interest at the Default Rate, until the full amount has been so offset.

#### Section 17.13 **FACILITIES DEVELOPMENT AMOUNT**

Concessionaire acknowledges that all or a portion of the Sublandlord's Work will be completed during the overall course of the work being done by or for Sublandlord in the redevelopment of the Terminal and, to effect such Sublandlord's Work, the Sublandlord will incur certain fees, costs and expenses (collectively "Facilities Development Amount"). Therefore, both Sublandlord and Concessionaire, being cognizant that such fees, costs and expenses are not capable of specific allocation and segregation, have agreed that the liquidated amount of Facilities Development Amount to be paid by Concessionaire to Sublandlord is \$269,602.28, on an annual basis for each calendar year of the Term, prorated on a daily basis for any partial calendar year ("Development Assessment"), to be paid in equal monthly installments, in advance, as Additional Rent, commencing on the Minimum Annual Guaranteed Rent Commencement Date and continuing through May 31, 2008, and then \$48,549.28, on an annual basis for each calendar year of the Term, prorated on a daily basis for any partial calendar year, to be paid in equal monthly installments, in advance, as Additional Rent, commencing on the June 1, 2008, and continuing through December 31, 2008. There shall be no additional Facilities Development Amount payments due after that date.

#### Section 17.14 **EXCULPATION**

Concessionaire, for itself and its successors and assigns covenants and agrees that it or they shall enforce any obligation of the Concessionaire contained in this Sublease solely against Sublandlord and not against any of the Protected Parties or in any manner realized upon the personal liability or assets of any of the Protected Parties. This is intended and shall be construed and interpreted as a covenant on behalf of each the Concessionaire and its successors and assigns not to sue or seek enforcement of any judgment against any of the Protected Parties. In the event that suit is brought to enforce any obligation of the Sublandlord, Concessionaire for itself and its

successors and assigns, covenant and agree that judgment proceedings shall be enforced only against the interest of the Sublandlord in the Premises and in no event against any other assets of Sublandlord, and that, after application of the proceeds of any seizure and sale of said assets, the obligation of Sublandlord hereunder shall be then and thereafter deemed fully discharged.

**Section 17.15 TERMINATION BY PORT AUTHORITY WITHOUT CAUSE;  
WAIVER AND RELEASE**

(a) Concessionaire acknowledges that the Port Authority has reserved and has the right with Sublandlord's concurrence to terminate any of the Concessionaire Subleases and the Term upon thirty (30) days prior written notice to Sublandlord and each of the affected Concessionaire(s) whether or not there then exists an Event of Default, such termination hereinafter referred to as "Discretionary Termination."

(b) Sublandlord covenants and agrees that, if the Port Authority shall exercise its right to terminate this Sublease by a Discretionary Termination, then the Sublandlord shall pay to the Concessionaire an amount equal to the Unamortized Capital Investment, as defined in (c), below, as of the effective date of the Discretionary Termination.

(c) For purposes of subsection (b) above, "Capital Investment" shall be Concessionaire's actual aggregate expenditures for initially constructing and equipping the Concessionaire Premises; and the term "Unamortized Capital Investment" shall mean the amount of the Capital Investment that, but for the Discretionary Termination, would have been amortized for the period from the effective date of such termination to the Expiration Date.

**Section 17.16 LETTERS OF CREDIT**

Concessionaire covenants and agrees that it shall deliver, or cause to be delivered to each of the Sublandlord and the Port Authority, prior to the date upon which the Concessionaire initially opens for business to the public in the Concessionaire Premises, an unconditional, irrevocable so-called "evergreen" letter of credit, being in an amount of 20% to the Port Authority and 80% to the Sublandlord of the Minimum Annual Guaranteed Rent to be paid for the then-current calendar year, but in no event less than \$~~640,000~~ for the Port Authority and \$~~1,600,000~~ for the Sublandlord. The issuer of each said letter of credit is to be approved by (i) as to the Letter of Credit for the Sublandlord, the Sublandlord; and (ii) as to the letter of credit for the Port Authority, by the Port Authority, and each of the two letters of credit are to provide for partial draws upon demand therefor by the respective beneficiary of each such letter credit.

**Section 17.17 RESERVED**

**Section 17.18 AUTHORITY OF EXECUTION**

If Concessionaire is a corporation, limited liability company or limited partnership, Concessionaire shall furnish to Sublandlord at the time of execution of this Sublease (a) a certificate issued by the state of its formation that the Concessionaire is in good standing in said state, (b) a certified copy of its Certificate of Incorporation, Articles of Organization, Certificate of Formation, or such other documentation as used in the state of its formation whereby the Concessionaire was originally formed in said state, and (c) a certified copy of the resolution of the

successors and assigns, covenant and agree that judgment proceedings shall be enforced only against the interest of the Sublandlord in the Premises and in no event against any other assets of Sublandlord, and that, after application of the proceeds of any seizure and sale of said assets, the obligation of Sublandlord hereunder shall be then and thereafter deemed fully discharged.

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(a) Concessionaire acknowledges that the Port Authority has reserved and has the right with Sublandlord's concurrence to terminate any of the Concessionaire Subleases and the Term upon thirty (30) days prior written notice to Sublandlord and each of the affected Concessionaire(s) whether or not there then exists an Event of Default, such termination hereinafter referred to as "Discretionary Termination."

(b) Sublandlord covenants and agrees that, if the Port Authority shall exercise its right to terminate this Sublease by a Discretionary Termination, then the Sublandlord shall pay to the Concessionaire an amount equal to the Unamortized Capital Investment, as defined in (c), below, as of the effective date of the Discretionary Termination.

(c) For purposes of subsection (b) above, "Capital Investment" shall be Concessionaire's actual aggregate expenditures for initially constructing and equipping the Concessionaire Premises; and the term "Unamortized Capital Investment" shall mean the amount of the Capital Investment that, but for the Discretionary Termination, would have been amortized for the period from the effective date of such termination to the Expiration Date.

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*Handwritten initials: BCC and a signature.*

**Section 17.17 RESERVED**

**Section 17.18 AUTHORITY OF EXECUTION**

If Concessionaire is a corporation, limited liability company or limited partnership, Concessionaire shall furnish to Sublandlord at the time of execution of this Sublease (a) a certificate issued by the state of its formation that the Concessionaire is in good standing in said state, (b) a certified copy of its Certificate of Incorporation, Articles of Organization, Certificate of Formation, or such other documentation as used in the state of its formation whereby the Concessionaire was originally formed in said state, and (c) a certified copy of the resolution of the

Board of Directors, General Partners, Managers or Managing Members of other party(ies) having the power of control of the Concessionaire approving this Sublease and authorizing its execution by the persons who have signed or will sign this Sublease.

**Section 17.19 AFFIRMATIVE ACTION AND NON-DISCRIMINATION**

(a) Concessionaire assures 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, color, sex, or national origin be excluded from participating in or receiving the services or benefits of any program of activity covered by 14 CFR Part 152, Subpart E, and any amendments thereto, and any other federal statutes or regulations applicable to the receipt of federal assistance from the Department of Transportation by local governments for Airport use, or otherwise applicable to persons leasing premises, either directly or indirectly, from the Port Authority. Concessionaire assures that it will require that its covered suborganizations will similarly undertake affirmative action programs, and that they will require assurance from their suborganizations to the same effect.

(b) This Sublease is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. Concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

Concessionaire agrees to include the above statement in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

IN WITNESS WHEREOF, Sublandlord and Concessionaire have caused this Sublease Agreement to be duly executed as of the year and day first above written.

BRITISH AIRWAYS PLC

By: Brian E. M.  
Title: SVP BUSINESS MANAGEMENT AMERICAS

HOST SERVICES OF NEW YORK, INC.

By:   
Title: CHRISTOPHER G. TOWNSEND  
Vice President

**Exhibit A**  
**Depiction of Concessionaire's Premises**

**EXEMPTION (4)**

**DRAWINGS OF NON-PUBLIC AREAS**

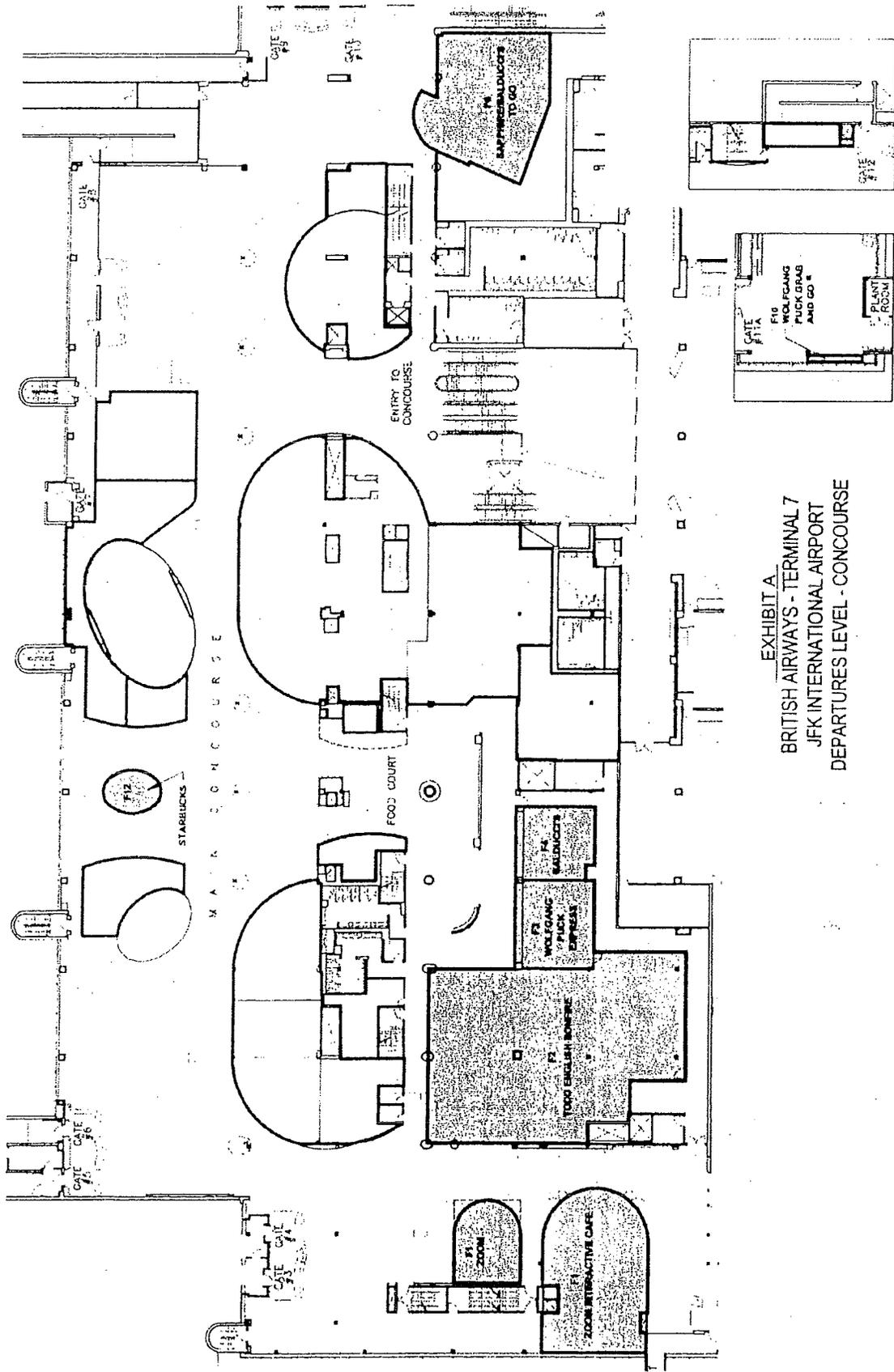


EXHIBIT A  
 BRITISH AIRWAYS - TERMINAL 7  
 JFK INTERNATIONAL AIRPORT  
 DEPARTURES LEVEL - CONCOURSE

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Exhibit B

At execution of Agreement, no Sublandlord Work was identified. If Sublandlord Work subsequently is required the parties agree to discuss such work in good faith as reasonably required.

Exhibit C  
Disadvantaged Business Enterprise Provisions

Intentionally Omitted

**Exhibit D**  
**Percentage Rent Rates**

I. Percentage Rent shall begin as of August 1, 2008 and continue through the remainder of the Term as follows.

- (a) For the period August 1, 2008, through August 31, 2008, Concessionaire shall pay Percentage Rent on Gross Receipts in excess of \$692,000. The Minimum Annual Guarantee Rent for this month shall remain one twelfth (1/12<sup>th</sup>) of \$800,000 (\$66,666.67). In other words, concessionaire shall pay \$66,666.67 plus a percentage of the Gross Receipts in excess of \$692,000. Except as described in Paragraph 2 of this Exhibit D, the Percentage Rent Rate shall be as follows:

August, 2008 Gross Receipts	Percentage Rent Rate
August Gross Receipts from \$692,000 to \$833,333.	11.5%
August Gross Receipts from: \$833,333.01 to \$1,083,333.00	12.5%
August Gross Receipts in excess of \$1,083,333.00	14.5%

- (b) For the period September 1, 2008, through the Expiration Date, except as provided in Paragraph 2 of this Exhibit D, the Percentage Rent Rates shall be:

Annual Gross Receipts	September 1, 2008 through December 31, 2010	January 1, 2011 through the Expiration Date
For the portion of Gross Receipts up to and including \$ \$10,000,000.00	11.5%	12.0%
For the portion of Gross Receipts between \$10,000,000.01 and \$13,000,000.00	12.5%	13.0%
For the portion of Gross Receipts Over \$13,000,000.00	14.5%	15.0%

2. The amounts and percentages above are exclusive of sales related to the Zoom kiosks. The Percentage Rent for such sales shall equal 5.5% of the portion of Gross Receipts attributable to the sale of electronics from the Zoom kiosks plus 7.5% of the portion of Gross Receipts attributable to the sale of all other items from the Zoom kiosks.

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Exhibit E  
Concessions Design and Construction Manual and  
Port Authority Tenant Alteration Application



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BRITISH AIRWAYS – JFK International Airport – Terminal 7  
UNISON-MAXIMUS Concessions Program  
CONCESSIONS DESIGN & CONSTRUCTION MANUAL

**BRITISH AIRWAYS**

**JFK INTERNATIONAL AIRPORT  
TERMINAL 7**

**CONCESSIONS DESIGN AND CONSTRUCTION MANUAL**

**UNISON-MAXIMUS**

**TRANSYSTEMS**

**Revised August 25, 2006**



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## SECTION 1 - GENERAL PROCEDURES

### 1.0 INTRODUCTION

British Airways, dedicated to enriching the traveler's experience, is implementing an expansion to their JFK Terminal 7 Plan as it pertains to Concessionaires. This plan is to include new retail spaces, the on-going improvement and modification of existing leaseholds in order to present a unified design. The purpose of this Concessions Design & Construction manual is to identify the responsibilities and obligations of the parties seeking to join British Airways in fulfilling this endeavor.

This manual is separated into section.

- Section 1 - Definitions, codes, safety and security, permits / fees and a number of point's regarding working at airports.
- Section 2 - Outlines the three step design submission process.
- Section 3 - Design guidelines and technical requirements including but not limited to floors, walls, ceilings, signage etc.
- Appendices As listed in the Table of Contents

#### 1.00 Organization

The Terminal Concessions projects are coordinated by TranSystems Corporation, the Design & Construction Coordinator, who serves as the liaison between the Concessionaire, the Concessionaire's design and construction personnel, British Airways, Unison / Maximus and the Port Authority. The Port Authority is the governing agency which enforces compliance with code requirements in the design and construction of all facilities at the Terminal. The Concessionaires is the responsible for his own dosing and construction personnel and must ensure that all work is in compliance with the Manual, all ode requirements and the submittal process.

#### 1.1 Terms used in this Manual

- "Owner" means British Airways (BA)
- "Tenant / Concessionaire" means a permitted concession operator who is designing / constructing or operating a retail store or restaurant in the Terminal Building.
- "Design and Construction Coordinator" (D&CC) means TranSystems Corporation
- "Port Authority" means The Port Authority of New York and New Jersey (PANYNJ)
- "Developer / Landlord" means Unison-Maximus (UM)

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## **1.2 Applicable Codes and Standards**

The tenant shall be responsible for reviewing and implementing, as part of their design, all codes and regulations applicable to the work. Review of the Tenant's documents by the Landlord, or the Design and Construction Coordinator, does not relieve the Tenant of responsibility to satisfy all applicable regulations.

Tenant design and construction must comply with applicable Federal, State and local laws, statutes, orders, codes, ordinances and regulations that are legally applicable to the work to be performed. For all construction at the Terminal, the Port Authority enforces Federal and State laws and regulations: New York City Building Codes; and the Port Authority and JFK Design/Policy Standards. The latest editions of the following New York City codes and regulations should be utilized:

1. New York City Building Code and its Reference Standards
2. New York City Fire Prevention Code and Directives
3. New York City Local Laws
4. Rules of the Board of Standards & Appeals (BS&A)
5. New York State Labor Laws
6. New York State Energy Conservation Construction Code

This manual must NOT be referred to in construction documents.

## **1.3 Safety and Security**

A safe, secure and healthy environment is to be maintained within the work place. Special procedures are required for air quality management within the leased premises during construction to ensure the Terminal is not adversely affected.

Security during construction is the Tenant's responsibility and all necessary precautions are to be taken to secure the premises. The Landlord shall have no liability for any loss or damage including theft of building materials, equipment or supplies.

The following information is intended to assist the Concessionaire in developing design documents for review and approval. The outlined criteria identify specific requirements and physical limitations that influence the design, but still encourage individuality to achieve an interesting, exciting and unique shopping and dining environment.

## **1.4 Permits, Fees and Approvals**

Tenants are responsible for obtaining all permits, paying all fees and obtaining all required approvals. Tenants upon completion of their work shall secure all applicable certificates of inspection and occupancy prior to occupying their space.

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**1.5 Statement of Professional Responsibility**

All Concessionaire facilities must be designed by a practicing professional architect and/or engineer licensed in the State of New York. The professional must sign and seal the work, which must be confined to the profession in which he/she is licensed.

**1.6 Information Releases**

Through press releases, and the release of information in general, British Airways and Unison-Maximus keep the public informed and maintain public interest and support for activities in the Terminal. News releases should reflect the overall activities, goals and objectives of the airport, rather than emphasize an isolated event. Thus, all communications to the public media must first be submitted to the Owner's representative for approval and coordination with other releases.

**1.7 Accessibility Standards**

All facilities shall be designed and constructed in compliance with current Americans with Disabilities Act and Accessibility Guidelines (ADAAG), the New York Department of Building requirements and the Port Authority requirements.

**1.8 Base Building Drawings for Tenant Use**

The Tenant will be given by D&CC the following electronic drawing files:

1. LOD Key Floor Plan
2. Architectural Floor Plan
3. Architectural Reflected Ceiling Plan – if available.
4. Mechanical, Electrical, Plumbing and Sprinkler Plans of the premises, if available.
5. Sections and elevations and additional details as applicable to the premises.

**1.9 Concessionaires / Tenant Design Construction Manual**

Tenant's / Concessionaires, Architects, Engineers and contractors must be familiar with this Tenant Design Construction Manual - which is part of the Concessionaire's sublease and is hereby incorporated therein in its entirety - as well as with the Port Authority's Tenant Alteration Application Procedure & Standards Guide and Tenant Construction Review Manual. While the Manual refers to legally binding codes and standards, it is not in itself a code, standard or specification, but rather a guide for the Concessionaire's design consultants. The Manual must NOT be referred to in construction documents.

**1.10 Working in the Airport**

It is the responsibility of the Tenant and its Contractor to obtain and review guidelines or procedural manuals concerning security and construction at the Terminal and Airport. Points of

#### 1.10 Working in the Airport continued

particular attention are listed below;

1. The Tenants representatives while confined to work in the premises must coordinate the movement of construction materials; noise and engineering service connections and shut downs with the Landlord, BA and the D&CC so as not to disturb the operations of the airport. These operations are to be scheduled by the Tenants Contractor giving five working days notice of the intention of such work and will only be allowed to proceed following written approval. The Landlord reserves the right to stop the Tenant's Work at any time should any such operation be deemed to be disruptive to the operations of the Airport.
2. Security passes will be required of the Tenant's Contractor and their personnel in those areas termed 'Airside' – beyond the secure check in locations. Personnel not badged will need to be escorted per security procedures in affect at the Terminal.
3. Deliveries to and removals from the Terminal will also require security clearances that must be complied with for all the Tenant's Contractor and Sub-Contractors per the existing Airport / Terminal Security Requirements.
4. Welding, cutting, grinding, coring or any such similar undertaking for any work within or outside of the premises will not be permitted without written 'Special Service Notice' from the Landlord. All such request for such work must be submitted at least five full working days in advance of such intention and could require special undertakings such as venting of fumes or stand by fire safety personnel. This applies to roof access as well.
5. The coring of the floor can only be allowed following the x-raying of the area to ensure clearances from structure or other in-slab services. The area beneath must be inspected and at the time of the core(s) being made the Contractor must have a representative below to ensure safety of any falling material or water damage from the equipment.
6. Should any element of the premises subject the existing structure to point loads either on the slab or suspended from the structure above raise concern by BA, Landlord or the D&CC representatives the Landlord reserves the right to have such concern evaluated by the Tenant's Structural Engineer at the Tenants expense. If required a signed and sealed evaluation / drawing could be requested. Questions of this nature raised by the PANYNJ during the submission process will be evaluated prior to the Approval to proceed to construction or become apart of the Rider Comments.
7. The requirement to 'tie into' or to temporarily shut down the existing fire alarm system within the premises requires a 'Special Service Notice.' All such request for such work

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**1.10 Working in the Airport continued**

7. must be submitted at least five full working days in advance of such intention. In the event of shut down any special security and fire watch personnel needed will to be employed at the Tenant's expense.
  
8. The Tenant's and their Design Professionals will be required to thoroughly investigate the area of the premise to determine where and how all engineering services are to be tied into for the space. While some of the areas are established 'Retail Spaces' others are not. In such conditions it is the responsibility of the Tenant's Design Professionals to determine the point of tie in (connection) and extend the service as necessary to the premise as a part of the building contract. The services in question must also be evaluated for load / capacity and calculations if necessary provided to PANYNJ, BA, Landlord or D&CC. This includes but is not limited to the following; phone data lines, drainage, power, HVAC, sprinklers, fire alarm, natural gas, airport speakers etc.

**End of Section**

## SECTION 2 – TENANT DESIGN SUBMISSIONS

### 2.0 General

1. Drawings, samples and specifications for the proposed premises are to be submitted to the Landlord, BA and the D&CC for review. D&CC – TranSystems will act as the distributor of information to and from the Tenant's Design Team. The sequence and process are defined in this section. The final submission drawings must be sealed by Architects and Engineers licensed in the State of New York.
2. All Tenant work to be in compliance with codes and particular attention is drawn to the non-combustible classification of the building, related flame spread ratings, smoke development classification of materials and the seismic restraint of construction elements.
3. The general clearances in and around fixed and free standing furniture must comply with ADA guidelines, 36" minimum. An ADA shelf / ledge or surface of appropriate width and height must be near to one of the cash register positions.
4. The Tenant's designers are free to use their conventional layer systems and CAD programs. At the project close-out the 'Record Drawings' are to be submitted in the following formats.
  - A. One CD with all contract drawings updated to show the 'As Built' condition. This represents the 'CD of Record Drawings.'
  - B. One new / clean printed set of Contract Drawings updated per item A above, this will not require the signature and seal of the Architects or Engineers.
  - C. On the CD noted in A above the Tenant's Design Team is to place a simplified drawing named and layered as described below.
5. The Tenant's Design Team are to provide a single, plan drawing in AutoCAD version 2006 or later in 2D without any three dimensional objects or blocks and all line-work flat on the 'Z' plane in the following layer convention which will be inserted into the terminal master plan;
  - A. Airport Column Lines – color 1 – line wt .12
  - B. Airport Construction – color 3 – line wt .12
  - C. Tenant Construction – color 41 – line wt .12
  - D. Tenant Fixed / Free Standing Furniture – color 4 – line wt .12
  - E. Tenant Electrical & Data Floor & Wall outlets – color 5 – line wt .12
  - F. Tenant RCP all ceiling elements – FPE / MEP – color 7 – line wt. .12
  - G. Tenant Merchandizing plan, general text mags, etc. – color 8 – ln. wt.12.
  - H. This plan constitutes a separate drawing without a border sheet or text, other than that noted for the merchandizing plan, or any other detail notes, section or detail marks and is to be titled 'the premise name, space designation number and date in the following format:: mm/dd/yy..

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**2.1 FIRST DESIGN SUBMISSION**

- 2.2 The Tenant's designer's attention is directed to the details / drawings appended to the back of this manual and the section heading '3 Design Criteria and Technical Requirements.'
- 2.3 The first Submission is to be presented on 11" x 17" sheets mounted to ¼" black Foam Core board. The boards are to be read horizontally with a line one inch (1") above the bottom edge allowing for the Tennant's Logo on the left, a title in the middle and Design Team Logo on the right. See Details drawings appended to the back of this manual. Note there is Materials Board described in 2.8 below.
- 2.4 Colored / rendered Floor plan – Three copies mounted per 2.3 above. Text is to be used to spell out the floor, free standing floor fixtures, wall units, special features and their respective finishes. In confined areas dimensioned clearances are to be shown to comply with clearances noted above.
- 2.5 Black & White Merchandizing plan – Three copies mounted per 2.3 above. Text is to be used to spell out the general locations of product intended to be displayed / sold. The purpose of this plan is to confirm the intentions of the Lease Documents with the Landlord and avoid design revisions due to misunderstandings. This is not intended to be exhaustive but sufficient so that the Tenant's designers are clear as to the kind or type of fixture is required.
- 2.6 Black & White Reflected ceiling plan – Three copies mounted per 2.3 above. General arrangements of ceiling features, lighting, intended heights and types of finish spelled out.
- 2.7 Colored / rendered Storefront Elevation - Three copies mounted per 2.3 above. The elevation may be skewed to represent a perspective if desired and must show the finishes with text to spell out features and materials intended. The Tenant's designers are to review the fascia signage zone details at the back of this manual.
- 2.8 One 11"x 17" materials board of ¼" black Foam Core board is required showing materials intended for use fixed to the board face. This may be supplemented with graphics if apart of the intended finishes or store lighting systems or a special feature needs to be clarified. An additional board may be added if necessary. The back of the board must explain the materials or graphics shown on the front in simple ghost layout of rectangles or squares with the description contained within the shapes. Following completion of a board the remaining two copies require the board to be color scanned and the print fixed to the front of the Foam Core per 2.3 above. A simple Xerox of the material clarifications on the back must be duplicated per the original.
- 2.9 The Tenant's proposal will be evaluated and comments returned within one week from the date of receipt.

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**2.10 SECOND DESIGN SUBMISSION**

- 2.11 Upon receipt of the comments the Tenant's Design Team will have two weeks to prepare and submit the second submission; three weeks will be permitted if requested.
- 2.12 The format for this submission is the start of the development of the CD set. Drawings in 24" x 36" format are acceptable for PANYNJ retail projects. Should the Client's designers prefer 22" x 34" to ease the half set publication in 11" x 17" this is acceptable as well.
- 2.13 The intent of the first CD set is to provide clarification to the comments raised while allowing the Contract Documents to progress as quickly as possible. The Tenant's design team will be allowed to submit their CD set in their conventional manner but the drawings must include the following:
- A. Title page with usual airport key plan, terminal location plan and site location plan with north and working north arrows shown. A code evaluation must be shown and escape distances indicated. The usual listing of Client / Owner / Landlord / Space No. and store title together with a list of the drawings.
  - B. The general conditions may be either book form or part of the drawing set.
  - C. The specifications may be either book form or part of the drawing set.
  - D. Architectural plans at 1/4" scale for setting out, finishes, fixture types etc.
  - E. Architectural ceiling plans at 1/4" scale for lighting, coordination with MEP.
  - F. Architectural elevations at 1/2" scale both storefront and internal as required.
  - G. Architectural construction details as required.
  - H. Both wall fixed and free standing fixture details
  - I. Signage proposals and details at scales that clearly show materials and sizes.
  - J. Fixture cut sheets in book format.
- 2.14 This CD submission forms the first chance to evaluate the MEP requirements and is of particular importance to the evaluation team.
- 2.15 The Tenant's design team is again reminded of the importance to perform a thorough site investigation in order to find those services required. Should the investigation show that the necessary services needed and the routings proposed require disruption to other retail establishments, concourse or holding areas or any other space then careful consideration will be need to evaluate the proposal. Any such findings will need to be noted and added to the drawings to allow bidding contractors to provide accurate estimates for the work to be done.
- 2.16 The Tenant's design team is reminded that the site investigations necessary to locate a service must also include an evaluation of the capacity of that service to suit their means. Some detail measurements may be necessary to evaluate flow rates, power etc.

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- 2.17 The Tenant's design team will be allowed to submit their CD set in their conventional manner but the drawings must include the following;
- A. All the Engineering Specifications may be placed on the drawing sheets or in a book together with the others if that is the preferred method.
  - B. Fire Prevention drawing for the plan information at the scales noted above for Architectural and detail sheets as required.
  - C. HVAC drawing for the ceiling plan information at the scales noted above for Architectural and detail sheets as required.
  - D. Electrical / Power drawing for the plan and ceiling information at the scales noted above for Architectural and detail sheets as required.
- 2.18 Should the services of a Structural Engineer be required, then there specifications may be added to the drawings or included in the book format and would follow those scales noted above with appropriate details sheets as required.
- 2.19 The evaluation of this submission by BA, Landlord and D&CC will be one week and the drawings do not need to be signed and sealed.
- 2.20 **THIRD DESIGN SUBMISSION**
- 2.21 The Tenant's design team will evaluate comments and revise and issue the final CDs / Design within a one week period, two weeks will be granted upon request. Changes to the CDs need only be noted in an accompanying letter signed by the Architect / Engineer referring on a point by point basis to the comments listed by the Landlord / BA / D&CC. This issue of the CDs must be signed and sealed by the design professionals. The documents must include the standard PANYNJ – TAA (Tenant Construction of Alteration Application) form signed and sealed by the design professional. This form must be correctly filled out with the exact information required by the PORT.
- 2.22 At this point the Port Authority Approval Process phase begins.
- 2.23 The D&CC will review the signed and sealed CD documents for compliance with the comments list and then submit all documents to the PANYNJ on behalf of the Tenant within two working days of receipt. Number of copies of each document / CD set to be confirmed by D&CC.
- 2.24 The review process by the PORT will take an estimated three to five weeks. The PANYNJ comments referred to as, 'The Rider,' will be transmitted directly from the D&CC to the Tenant's design team upon receipt. During this period if not earlier the Tenant's design team is advised to seek bids.

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- 2.25 The Rider will clarify conditions under which the Pre Construction Meeting may be allowed to proceed. Should the Rider require resubmission of any part of the CD documentation prior to approval or the Pre-Con meeting being scheduled the Tenant's design team must comply specifically with each point noted in the Rider. Such points are signified in the Rider with an 'asterisk.' Alterations so required must be bubbled and so noted on the documentation and returned promptly to the D&CC for resubmission to the PORT.
- 2.26 Should the Rider grant approval to proceed to the Pre-Construction Meeting upon condition that specific items are clarified or confirmed then upon such undertaking being given by the Tenant's design team in writing the D&CC will arrange a date at its sole and absolute discretion. The Tenant's Architect-of-Record is solely responsible for securing acceptance of all Rider Comment responses prior to project close-out.
- 2.27 The Tenant and their Professional Team will attend the Port Authority Pre-Construction Meeting in order to obtain the Alteration Permit. At this point, the construction phase will begin.
- 2.27 The Tenants design team will provide construction administration services in conformance with the agreed standards. At least 10 working days prior to substantial completion the Project Close-out phase can begin. The Tenant's Architect will submit controlled inspection and close-out documents to the D&CC for submittal to and approval by the PANYNJ.
- 2.28 Within 5 working days after approval from the Port Authority, the D&C C will endeavor to schedule the date for final inspection by the Port Authority. The Tenant's Architect will attend the final inspection to obtain the Final Permit to Occupy (FPO) from the Port Authority. Fixturing and merchandising may occur at any time. However, the store may not open until Port Authority approval is secured.

**End of Section**

## SECTION 3 - DESIGN CRITERIA AND TECHNICAL REQUIREMENTS

### 3.0 GENERAL – DESIGN CONDITIONS

The Overall floor plan, A-01, illustrates the locations of the various food and retail concessions leaseholds. Concessions leaseholds assigned to food are designated with the letters 'F' or 'D' and leaseholds for retail are labeled with the letter 'R.' new leaseholds are further defined according to Design Conditions A through D as follows:

#### 3.1 Design Condition A

This applies to new retail spaces which are enclosed with full height walls and have storefronts defined by closures, walls or glass. For example Space F14, refer to applicable LOD plans and elevations.

#### 3.2 Design Condition B

This applies to new open 'arcade' or 'kiosk' retail spaces which have an open grille or grid type ceiling and their perimeter is principally defined by side folding or overhead roll down grilles. For examples Spaces R11, R12 and R13, refer to applicable LOD plans and elevations.

#### 3.3 Design Condition C

This applies to new, enclosed food service retail space D03 for which the storefront is enclosed by means of solid walls, glass partitions and glass doors, refer to LOD plans and elevations.

#### 3.4 Design Condition D

This applies to open café or restaurant seating areas defined by low walls or by other flexible or moveable barriers. For example see café seating area D18C or seating area adjacent to restaurant Space F2. Refer to applicable LOD plans and elevations.

### 3.5 GENERAL REQUIREMENTS

#### 3.5.1 Floors

The level of the finished floor within the concession spaces shall align with that of the adjacent public area finished floor.

The Concessionaire is required to patch adjacent concourse terrazzo or carpet if it is damaged during construction. Floors in kitchen, food preparation and storage areas, including under counter and beverage service areas must have a quarry tile or welded sheet vinyl non-slip surface. Where a quarry tile finish is proposed a fully waterproofed membrane must be applied under the quarry tile to prevent leakage to areas below. A 6-inch high cove base in quarry tile or welded vinyl is required. Floor drains, grease traps are to be installed per code.

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### 3.5.1 Floors Continued

If the space requires floor penetrations, the Tenant's contractor is required to follow procedures noted in Section 1.0 above. This applies to conditions should the penetrations be required outside the Tenant's space for example in the routing of services to the space in need.

The Tenant is not permitted to construct mezzanines or raised platforms in the leased premises.

### 3.5.2 Ceilings

The overall ceiling height within the lease space is to be a minimum of 8 feet. Open ceilings or exposed structure treatments are not acceptable except as specifically shown in the Design Guidelines, Design Condition B for example. Ceilings are required to be installed in all areas to maintain return-air plenums. All ceiling materials must be noncombustible, equal to Class A installation. Ceiling finishes shall have a flame spread rating not exceeding 200. The plenum must be accessible when base building or Concessionaire piping and/or equipment are located above.

Ceiling furrdowns or bulkheads are permitted. However, furrdowns or soffits must not restrict access to plumbing or HVAC equipment. Access doors are not permitted in gypsum board furrdowns or soffits. All damage to existing ceilings will be repaired at the Tenants expense. Ceilings in food and beverage spaces are to comply with all City of New York Health Department requirements.

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**3.5.3 Roofs**

All required penetrations of the existing terminal roof for exhaust hoods, vent stacks, supplemental HVAC equipment or any other equipment are to be performed by the Tenant's Contractor, at the Tenant's expense. The Tenant must consider the following in dealing with roof-top equipment

1. Roof access
2. Existing roof warranties and specific Owner requirements to maintain such coverage.
3. Security clearances are required to inspect and undertake work on the roof, see Section 1 above.
4. Equipment shut-offs
5. Walkway access
6. Concealed piping
7. Existing equipment and penthouse clearances
8. Roof protection during construction
9. Temporary weatherproof protection of openings during construction
10. Lifting and hoisting of equipment
11. Structural calculations of penetrations and reinforcing of openings if required
12. Effects on roof drainage
13. Storage of equipment and materials on the roof during construction
14. Protection of roofing material from oil and grease emitted by kitchen exhaust equipment

All modifications or installations of additional equipment require review and consultation by the Owner's consultant team including the D&CC, structural engineer and MEP/FP engineer. The installation of such equipment will be at the Tenant's expense.

**3.5.4 Walls**

All interior demising walls between Concessionaires shall be gypsum board on metal stud framing. Partitions between multiple Concessionaires and any common, public or service corridor will extend to the structure above. The partitions between Concessionaires must have a one hour fire rating and must go to the underside of structure above. All demising partitions will be constructed by the Concessionaires at the Concessionaire's expense. All interior partitions are to extend 8 inches above the finished ceiling. All interior walls are to be constructed by the Concessionaire at the Concessionaire's expense. Permanent attachment to concrete columns with mechanical fasteners or adhesives is not permitted. The Concessionaire is permitted to furr columns with systems that are self-supporting or free standing within the leasehold. If heavy shelving, or attachments, is to be installed, the demising or Concessionaire's wall must be reinforced.

If fire-rated walls or other existing construction must be opened or cut through to extend services into a leasehold, the Concessionaire must preserve the original rating and construction.

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**3.6 Security**

The Concessionaire is required to provide a means of securing the leasehold during non-operational hours.

**3.7 IMAGERY – FOOD CONCESSIONAIRE**

**3.7.1 Food Concessionaire - Display**

Creative display of food and beverages is required. The presentation must be clean, well-organized and devoid of clutter. Sneeze guards must be set back a minimum of 6 inches from the edge of counter and be a maximum height of 4'-6" above the finished floor. All horizontal joints are to be butt-glazed for maximum visibility. Glazing must be either tempered or safety glass. No acrylic glazing is permitted.

**3.7.2 Food Concessionaire - Equipment**

Concessionaire equipment on counters is to be set back a minimum of 6 inches from the front counter edge and recessed into the counter top so that no portion exceeds 42 inches in height. Beverage machines and other miscellaneous equipment on the counter are subject to design review. No simulated wood finishes will be permitted on equipment within public view.

Napkins, condiments, utensils, straws and trays must be set back from the front of the counter and must be dispensed from permanent holders recessed into the front counter top.

All paper goods and supplies are to be stored in areas not visible to the public. All equipment is to be furnished, installed and maintained by the Concessionaire at the Concessionaire's expense.

**3.7.3 Food Concessionaire - Lighting**

Lighting within the Concessionaire's leasehold and outside the leasehold area – as shown on the Design Guideline Drawings - is to be provided by the Concessionaire.

**3.7.4 Food Concessionaire - General Signage**

In addition to the basic signage, additional signage is normally required of the food Concessionaire. Menu boards and other signs must convey information in an organized, simple, straightforward manner.

The design and graphics of the signage are an integral part of the store concept. All supplemental menu graphics must be professionally produced and attractively displayed. Temporary displays are not allowed. See Section 2.5 for additional signage information.

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### 3.7.5 Food Concessionaire - Menu Boards

The Concessionaire is to provide one or more menu boards designed as an integral part of the design concept. Menu boards must have changeable price and menu graphics. Graphics depicting food items or a supporting overall image are encouraged.

Internally illuminated menu boards are acceptable. Also acceptable are illuminated menu boards using a supplemental light source. The use of photographs for food displays is encouraged. Photographs must be produced by a professional.

“Daily Special” signs or signs for seasonal or temporary promotions must be integrated into the overall design of the menu board and of the back wall.

### 3.7.6 Food Concessionaire - Pick Up/Order Signage

The food Concessionaire has the option to have “Order Here” and “Pick Up Here” signs. The design and materials must be consistent with the overall design and colors used in the space. All “Order Here” signs must be supported from the counter top and may not be suspended from the ceiling.

### 3.7.7 Food Concessionaire - Storage

The Concessionaire’s supplies must be stored on appropriate racks or in cabinets within the Concessionaire’s leasehold. Such storage must be concealed from public view with doors or sliding panels.

## 3.8 IMAGERY - RETAIL CONCESSIONAIRE

### 3.8.1 Retail Concessionaire - Display

The zone behind the storefront where merchandise is displayed is where the customer receives their first full impression of the store. It is critical that special attention be paid to the area through the use of fixturing, props, furniture, and/or mannequins. These elements are to be consistent with the space in both design and materials.

### 3.8.2 Retail Concessionaire - Signage

All signage on and within the Concessionaire’s space is subject to design review and approval, including all signs for sale promotions, seasonal promotions, product displays and brand displays. See Section 3.14 below for Storefront Signage and Appendices for detail signage information.

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**3.8.2 Retail Concessionaire – Signage Continued**

Signage must be professionally designed, attractively displayed and produced in colors and materials consistent with the overall store image.

**3.8.3 Retail Concessionaire - FF&E**

All fixtures, furnishings and equipment shall be provided by the Concessionaire, at the Concessionaire's expense. Fixtures and furnishings play an important role in establishing the character of the store. They should be made of high quality, durable materials similar or complementary to those in the space. Simulated wood grain or other simulated materials on fixture or furniture is not acceptable.

The fixture layout should accommodate passengers with hand-held luggage, bag carts and baby strollers, as well as persons in wheelchairs who require maneuvering clearances.

Any equipment used in the store that is visible to the public is to be compatible with the store design.

All interior finishes are required to meet ASTM E-84, Type 1, Class A fire retardant requirements. All floor finishes shall also meet DOC FF1 (methanine pill test) and ASTM E648 (critical radiant flux test) with a minimum critical radiant flux of 0.5 watts per square centimeter.

### 3.9 STOREFRONT / PRIMARY SIGNAGE

Signage is an integral part of the overall design of the Terminal experience. Accordingly, the signage of the Concessionaire's space must be designed to maintain that consistency. The Concessionaire is permitted to use the corporate logo, sign type and lettering styles, when compatible with design criteria. The Concessionaire is required to coordinate primary and secondary signage into a complementary design. The Concessionaire must avoid obstructing Terminal way-finding and information signage. See Section 2.4 for specific signage guidelines for food and retail concession leaseholds.

#### 3.9.1 General Signage Standards

The Concessionaire is fully responsible for the design, workmanship, installation and grammatical correctness of the signs and for coordinating the work of the sign contractor.

The Owner reserves the right to reject any signage that it deems inappropriate for the Terminal.

No exterior signage will be permitted on any part of the Terminal nor shall any signage be positioned so as to be visible from outside any window.

#### 3.9.2 Primary Sign Element

Each Concessionaire is required to design, fabricate, install and maintain one primary sign above the entrance to the space – where a soffit/fascia condition exists - or incorporated into the storefront - if a soffit condition does not exist. The sign shall be limited to the Concessionaire's trading name only.

Any Concessionaire having storefronts on more than one side may use one sign on each storefront. The Concessionaire must comply with the following criteria:

- Etched, beveled, or sandblasted glass, dimensional metal and other materials with permanent appearance are encouraged. Three-dimensional illuminated halo or back-lit individually mounted letters are not acceptable. Letters may be milled metal / Lexan or acrylic and spray painted but can not be thicker than 1-1/2" when pinned to the fascia. The storefront signage will be front lit by the Tenant per details shown in the Appendices.
- For signs occurring on soffits or fascias, the maximum field height for signage (i.e. individual letters, double line of letters and/or sign backgrounds) is 12" overall. See applicable details.

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**3.9.3 Supplemental Signage**

The Concessionaire is encouraged to integrate supplemental signage into the storefront design to support the overall store image and to provide greater visibility. End walls and columns may not be used for secondary signage.

No displays or signs are permitted outside the lease line, except where specifically shown in the Guideline Drawings.

All signs are subject to the approval of British Airways. Note the following:

1. Letters or logos applied or painted directly on the inside face of glass storefronts are not permitted.
2. Supergraphic treatment of large amounts storefronts is not permitted.
3. Hand-lettered non-professional signs and newspaper advertisements are not permitted.
4. Advertising for brand names (soft drinks, for example) is not permitted.
5. Animated, flashing or sound-producing elements are not permitted.
6. All graphics must have a non-glare, matte finish. The type must be large enough and its style simple enough to make the text clearly legible.

**3.10 INTERIOR FINISHES**

The selection and application of finishes will define the Concessionaire's image. Establishing a standard for quality, durability and aesthetic value is essential and the finishes will be evaluated and considered on that basis. The Concessionaire's image does not end at the storefront or at the front of counter, but continues to all areas exposed to the public. It is important to develop a color and finish palette that is both inviting and complementary to the overall image. Quality craftsmanship is a critical component of good finish applications.

**3.10.1 Flooring**

High quality, durable materials must be selected to withstand heavy traffic. Stone, ceramic tile, marble, wood or durable carpet are acceptable options. The Concessionaire must provide a continuous base around the perimeter of the lease space with material that is similar to the flooring as well as compatible with the storefront. Rubber or vinyl base is discouraged.

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### **3.10.2 Ceilings / Walls / Doors**

The Concessionaire is to use high quality, durable products for ceiling, walls and doors. Specific requirements include the following

1. Ceilings must be accessible for maintenance whenever piping or equipment, by base building or Concessionaire, occurs.
2. The following materials are not permitted:
  - a. rough-sawn cedar or other unfinished woods
  - b. imitation of natural materials, such a simulated wood, brick or laminates
  - c. pegboard walls or fixturing systems
  - d. painted drywall surfaces below 9 feet
  - e. window coverings
  - f. slat wall material
3. Concessionaire's interior doors must be solid core or hollow metal with a finish quality similar to the quality of the walls.

### **3.11 LIGHTING**

The Concessionaire is encouraged to be creative in lighting design to maximize the quality and uniqueness of the environment. Energy efficient lighting is required. All lighting locations, specifications and product data sheets, including light source, must be submitted for review.

### **3.12 ACOUSTICS**

The Concessionaire is encouraged to use materials and designs that minimize the transmission of sound to the concourse and adjacent spaces.

Food and beverage Concessionaires must isolate noises from food preparation, dishwashing and cleaning areas, using demising walls if necessary.

Music systems are permitted within leaseholds, but sound levels must be controlled to limit the sound to the leasehold boundaries.

### **3.13 CONSTRUCTION PROCEDURES**

These construction procedures are intended to allow flexibility and accessibility to the Concessionaire's contractor for the timely execution of his work without compromising airline operations, passenger flow or airport security. Airport and airline operations and security must not be affected during any sequence of Concessionaire's construction. Therefore, some

### 3.13 Construction Procedures Continued

construction may be required during restricted working hours and during evening hours.

#### 3.13.1 Concessionaire Examination of Site

By executing lease documents, the Concessionaires represent that they have:

1. Visited the site.
2. Made due allowances for difficulties and contingencies to be encountered.
3. Compared contract documents with work in place.
4. Informed themselves of existing conditions and work being performed by others.
5. Notified the D&CC of any inconsistency, or error discovered within the lease or between Lease Exhibit and existing conditions.
6. Agreed to inspection terms during construction
7. Agreed to provide verified as-built drawings to the D&CC.

#### 3.13.2 Temporary Partitions

In most cases, construction by Concessionaire will occur behind temporary partitions which are to be constructed by the respective Concessionaire according to approved plans. In some cases, where such temporary partitions are not practical, the Concessionaire is to provide and maintain temporary dust partitions to seal-openings to all adjacent areas, provide temporary security and protection to the public during construction. The following points also apply:

1. Temporary construction partitions must be located a maximum of 2 feet beyond the lease line.
2. Partitions must extend full height to the existing structure or ceiling to positively seal off the construction area. Partitions in view of the public are to be vinyl-covered gypsum board on metal studs.
3. All finishes are to be returned to their original condition when temporary partitions are removed.

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**3.13.2 Temporary Partitions - continued**

4. Construction signage – approved by British Airways - is required on temporary partitions.
5. Access doors into construction areas must be solid core or hollow metal doors with commercial grade hardware and must be mounted in hollow metal frames.

**3.13.3 Security**

The Concessionaire is entirely responsible for the security of the leased premises during construction and must take all necessary steps to maintain airport security. The Owner shall have no liability for loss or theft of any property.

The Concessionaire's contractor shall enter the building at landside entrances approved by the Owner.

Access by air-side or AOA ramp is strictly prohibited. Access to construction areas within the building must be through passageways and corridors as approved by the Owner or the designated D&CC. The access route must be shown on construction documents.

**3.13.4 Construction Coordination**

The following rules and regulations apply to the Concessionaire's contractors performing work at the Terminal.

In general, the Concessionaire's contractor is to confine his operations to the construction area defined by his Contract Limit Lines (CLL). Where operations require work or staging beyond those limits, such work is to be coordinated with the Owner or their designated D&CC using the following guidelines:

1. All work to be installed beyond the CLL, such as bracing, support steel, installation of conduits or lines etc., is to be coordinated with the Owner, their designated D&CC or with other contractors of the Concessionaire, where applicable.

The Concessionaire's contractor shall attend the Terminal's mechanical coordination meetings. The contractor must sign off the coordination with other mechanical trades, if work is occurring beyond the CLL's.

3.13.4 Construction Coordination - continued

2. Where the Concessionaire's contractor's work precedes any Terminal mechanical work, the Concessionaire's contractor will furnish accurate as-builts, tying back dimensionally to building steel to locate their work. As-built documents of this work will be forwarded to British Airways or their designated D&CC within five (5) working days of work being performed in the field, for use by others in coordination of subsequent work.
3. Where the Concessionaire's contractor's work occurs after the Terminal's coordination of mechanical work in adjacent spaces, the Concessionaire's contractor will obtain copies of the "Coordination Drawing(s)" for the area and shall indicate his work on the plan. This drawing will be forwarded ten (10) working days prior to any work proceeding in the field outside their CLL and will be submitted to the Owner's D&CC for review.
4. No core drilling will occur in the Terminal outside the CLL. Any damage which occurs due to such activity will be the responsibility of the Concessionaire's contractor. Any necessary repairs not completed by the Concessionaire's contractor will be performed by a contractor selected by the Owner and applicable costs will be back-charged to the Concessionaire's contractor.
5. All shutdowns or tie-ins to existing services are to be made with a minimum of 48 hours written notice to the Owner. The Concessionaire's contractor is responsible to drain down and refill any systems affected and to furnish valves and dampers to isolate their work from the Terminal's systems, whether or not specifically indicated.
6. The Concessionaire's contractor will coordinate all deliveries with British Airways through their designated D&CC. Indicate the date, time and duration of deliveries and coordinate the location of all drop-offs. Minimum 48 hour notices will be given for all standard deliveries, and five (5) days written notice for all deliveries requiring cranes, boom equipment or requiring coordination to or blocking of roadway access.
7. The Concessionaire's contractor is required to provide competent job site supervision, full time while any of their work-force is present at the job site. XXXXXXXXXXXXXXX capable and authorized to make binding decisions on behalf of the Concessionaire's contractor. . and who will be present
8. The Concessionaire's contractor will provide British Airways or their designated D&CC with emergency contact numbers for this individual and also for all major mechanical subcontractors working for them at the site.

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**3.13.4 Construction Coordination – continued**

9. The Concessionaire's contractor is required to make available a competent representative of his firm to attend a weekly coordination meeting with British Airways to coordinate all operations and schedules and to give notice of upcoming work or deliveries.
10. All builders' materials, gang boxes, rubbish containers, etc. are to be kept within the confines of the CLL or at pre-approved locations outside the CLL.
11. The Concessionaire's contractor will coordinate all rubbish removal, storage of mini containers, placement of roll-off pickups and drop-off times with British Airways.
12. The Concessionaire's contractor is responsible for lockup and protection of all his builders' materials, tools and equipment during the course of construction.
13. The Concessionaire's contractors are responsible for procurement of their own security badges from the Port Authority and shall coordinate procurement with British Airways.
14. The Concessionaire's contractor is aware that all work will be performed by union personnel of trades claiming jurisdiction. The Concessionaire's contractor is advised that all additional labor which results from their construction activities such as costs for stand-by trades, master machinists, laborers, teamsters, either for work completed during or beyond normal working hours, will be their responsibility and should be arranged for and paid directly by the Concessionaire's contractor.
15. The Concessionaire's contractor shall establish and obtain approval of any required axis lines and benchmarks for performance of their work. The contractor shall coordinate back to these benchmarks, axis lines and starting points as applicable.
16. The Concessionaire's contractor will be responsible for the damage caused by its own personnel or by any of the subcontractors, including suppliers and vendors of the Concessionaire's contractor, to existing construction equipment, fixtures, finished surfaces, adjacent area of construction, existing buildings, properties or utilities. The Concessionaire's contractor is responsible for protection of the preceding work in the vicinity of its work. Any disturbance or impairment resulting directly or indirectly from the work of the Concessionaire's contractor will be immediately restored, repaired, or replaced to the satisfaction of British Airways and without additional cost to British Airways. Refusal by the Concessionaire's contractor to correct the damaged work after notice from the Owner's contractor will necessitate correction by others with all related costs charged to the Concessionaire's contractor.

**BRITISH AIRWAYS – JFK International Airport – Terminal 7  
UNISON-MAXIMUS Concessions Program  
CONCESSIONS DESIGN & CONSTRUCTION MANUAL**

**3.13.4 Construction Coordination – continued**

17. The Concessionaire's contractor shall make all efforts to coordinate his work with Terminal Base Building construction at the interface of the CCL ( Contract Limit Line ).
18. The Concessionaire's contractor must be aware of the structural capacities of areas to be used for the Concessionaire's contractor's equipment and material storage and shall not exceed rated capacities without taking appropriate steps to compensate for the imposing of loads which may exceed the design limits. All storage of materials outside the CLL must be coordinated with British Airways. Any modifications to the structure must be analyzed and detailed by the Concessionaire's contractor's engineer, a professional engineer licensed in New York State, and must be submitted for review by a structural engineer selected by British Airways. All related costs including costs of the engineering review shall be included in the Concessionaire's contract price for such work.
19. The Concessionaire's contractor shall include all costs related to any and all required laboratory testing including controlled inspections required by the Port Authority.
20. The Concessionaire's contractor should note that no elevators or personnel/material hoists are available for their use on the Terminal jobsite. Use of any of the Terminal's service elevators – when permissible - shall be coordinated in advance through British Airways.
21. The Concessionaire's contractor will provide any signs, warning devices, barricades, fences and guardrails which are required for the safe performance of its work, and to control vehicular and pedestrian traffic required by its operation in accordance with applicable codes. Any fines levied against the Owner's contractor by OSHA due to failure of the Concessionaire's contractor to comply with OSHA requirements shall be paid by the Concessionaire's contractor.

**3.14 MECHANICAL, ELECTRICAL, PLUMBING, STRUCTURAL REQUIREMENTS**

The Terminal has in place an MEP infrastructure adequate to accommodate the needs of the concessions program. Based on the extent and nature of the work proposed by the respective Concessionaires in this phase of the work, the utility capacities shall be verified by the Concessionaire's engineering consultants. Supplemental requirements or unusual circumstances caused by the Concessionaire's development may require that supplemental equipment be installed by an approved contractor at the Concessionaire's expense. Modifications, tie-ins to existing services and supplemental equipment construction must be engineered by a professional engineer registered in New York State. See Appendix 1 - Design Condition Drawings, for graphic layout of services available to the leaseholds.

BRITISH AIRWAYS – JFK International Airport – Terminal 7  
UNISON-MAXIMUS Concessions Program  
CONCESSIONS DESIGN & CONSTRUCTION MANUAL

**3.14 MECHANICAL, ELECTRICAL, PLUMBING, STRUCTURAL REQUIREMENTS**  
- continued

Plans must show all routings and connections of new services to existing lines, ductwork, piping, telephones, switchboards or motor control centers. The Concessionaire must provide complete heat loss/gain and electrical power calculation forms. See Appendix 2-Schedules for calculation forms.

**3.14.1 HVAC**

The Terminal is served with chilled and heated water from the Port Authority's central utility plant. Air handling units are currently in place to provide a standard design capacity. The base building supply air provided by British Airways is 1.0 cfm/ft<sup>2</sup> at 57°F. The Concessionaire must verify the existing air supply to the leasehold and determine how much more, if any, is needed.

The existing primary air ductwork may be used to cool the leasehold, provided engineering calculations show that it is adequate to meet new leasehold design loads.

The Concessionaire's HVAC design for each leasehold must meet the following criteria:

1. Heating - Winter inside comfort design temperature: 75°F db -
2. Cooling - Summer inside comfort design temperature: 78°F db
3. Outside design temperatures - as indicated in the current edition of the ASHRAE Handbook of Fundamentals, 2 1/2 percent conditions
4. The existing maximum supply air to conditioned building areas is calculated at 1.0 cfm/ft<sup>2</sup>. The Concessionaire is responsible for supplying supplemental HVAC if additional air-conditioned air or make-up air is required because of increased loads in the leasehold.

The Concessionaire must provide the design, engineering and installation of the HVAC system including the following:

1. All medium pressure ductwork from the main trunk ducts to the VAV boxes including duct taps and control dampers
2. All low-pressure ductwork, including that necessary for supply, return air, exhaust, and make-up air
3. All grilles and diffusers for supply, return air, exhaust and make-up air

BRITISH AIRWAYS – JFK International Airport – Terminal 7  
UNISON-MAXIMUS Concessions Program  
CONCESSIONS DESIGN & CONSTRUCTION MANUAL

3.14.1 HVAC - continued

4. Controls: All Concessionaire's equipment must have direct digital controls (DDC); the Concessionaire's control equipment must be compatible with those installed in the Terminal (manufactured by Trend). The Concessionaire is responsible for providing all DDC control panels required for their installation and for connecting to the existing Terminal BMS system and should contact:

Trend Controls Group  
200-214 West 4th Street  
Plainefield, NJ 07061  
(908.755.9500)

5. A heating system using fan powered VAV boxes or induction boxes with hot-water coils and the required hot-water piping
6. A kitchen hood exhaust and tempered make-up air systems package that includes both exhaust fans and make-up air fans which must be installed by an approved Contractor. The submitted design must include sizing of roof penetrations
  - a. Roof exhaust fans must be of the belt drive, up-blast, vertical discharge type and must bear the AMCA certified ratings seals for air and sound performance. There must be a built-in grease drain.
  - b. The filtered make-up air unit should have belt-driven double width/double inlet, forward curved centrifugal supply fans.
  - c. The pre-wired control center must include, but not be limited to, an integral master disconnect switch with fuse blocks for main power connection, magnetic motor starters with thermal overloads and manual reset, a fused 115 volt control transformer and a distribution terminal control strip for connecting the control wiring. Wiring must be complete, requiring only one-point field connection for power service and one-point field connection for low voltage.
7. All supplemental cooling and heating service must be designed by the Concessionaire's engineer and installed by an approved contractor. Supplemental chilled and heating water air-handling units may be installed within the Concessionaire's lease space or, with written approval, may be installed on the roof.
8. Supplemental DX units are not desirable and will be subject to Owner approval. All other resources must be considered first and approval will be granted only if documented evidence shows that the units are necessary and unavoidable. Location and size of rooftop equipment penetrations will be subject to Owner review and approval.

**BRITISH AIRWAYS – JFK International Airport – Terminal 7  
UNISON-MAXIMUS Concessions Program  
CONCESSIONS DESIGN & CONSTRUCTION MANUAL**

**3.14.2 Electrical**

Base building power provided by British Airways includes one separate disconnect switch per leasehold. The feeder (all 3ph, 4 wire, 60Hz) and switch are sized at 10 VA/per ft<sup>2</sup> for retail Concessionaire leaseholds and 24 VA/per ft<sup>2</sup> for food Concessionaire leaseholds. Food Concessionaires will be required to reimburse the Owner for electrical service based on a flat rate fee per square foot or based on meter readings, as determined by British Airways.

The Concessionaire is responsible for the design, engineering and installation of electrical service within the lease space and for all connections and coordination with base building electrical systems. This includes panels, transformers, wire and conduit, light fixtures, switches, outlets and any other items required to complete a functional system.

**3.14.3 Plumbing**

The Concessionaire must provide the design, engineering and installation of any required plumbing at the concessionaire's expense including the following:

1. All domestic cold water piping
2. All domestic hot water piping including hot water heaters
3. All sanitary sewer (waste) piping, including floor drains and grease interceptors to be connected to the base building waste connection
4. All sanitary sewer vent piping
5. Water heaters when required - they must be accessible and include T&P relief-valve piping to the nearest floor or hub drain in the lease space; all water heaters shall be gas-fired
6. Domestic hot water heaters for hand sinks, if required, can be electric or gas, fully insulated and designed for a service water temperature not to exceed 140°F

All sanitary, vent and cold-water piping must connect to existing lines in the immediate Concessionaire area and be furnished and installed by the Concessionaire.

For food service areas, all Concessionaire drainage piping must be connected to a grease waste line extending to a grease interceptor. Locations should be coordinated with existing conditions, as described above, and with Concessionaire operations.

The Concessionaire must test all existing waste lines for capacity and is responsible for any necessary cleaning or repairs to existing plumbing before connections are made.

**3.15 Lighting**

All temporary lighting at 10 foot candles and any final required additional lighting shall be provided by the Concessionaire at the Concessionaire's expense in accordance with the Manual. Reference Section 2.0, General Design Criteria.

### 3.16 Fire Protection

All Concessionaire's leaseholds must be equipped with a sprinkler system except for kiosks or open-ceiling retail spaces which are positioned below ceilings which are presently equipped with sprinklers. The Concessionaire must provide the engineering design modification and installation of the fire sprinkler system for the leasehold, which includes:

1. The design, modification and installation of wet-pipe fire sprinkler systems
2. The design, modification and installation of new and/or existing fire sprinkler heads for lease space layout
3. The design and installation of adequate fire protection systems for such equipment as kitchen grease hoods, as required.

The Concessionaire is responsible for the design, engineering and installation of the sprinkler system within their leasehold and for connecting the sprinkler system to the existing Terminal fire protection system. Contact the following contractor:

Sirina Fire Protection Corporation  
151 Herrick Road  
Garden City Park, NY 11040  
(516.942.0400)

The kitchen hood fire protection system should be connected, by the Concessionaire, at the Concessionaire's expense, to the base building fire alarm system.

If the Concessionaire adds new ductwork for supply, return or exhaust or if the Concessionaire adds supplemental air handling units to the lease space, the Concessionaire's contractor shall install duct-mounted smoke detectors that are connected to the base building's fire alarm system. The Concessionaire's contractor shall install new devices, wiring, etc., and the final connections to the base building's fire alarm system shall be made by the Owner's fire alarm system vendor, at the Concessionaire's expense.

The base building fire alarm system, provided by the Owner, at the Owner's expense, includes one fire alarm horn/strobe per open space (minimum) plus one additional horn/strobe per 400 square feet in accordance with NFPA 72. Fire alarm devices are not generally required in leaseholds, except for in large leases where audio-visual devices must be installed. The designation of the fire alarm devices will be handled on a case-by-case basis in coordination with the Concessionaire's leasehold. It will be the responsibility of the Concessionaire, at the Concessionaire's expense, to provide any required fire alarm devices required for adequate visibility based on the design of the leasehold.

Lease spaces are not independent fire protection zones. Fire protection zones are based on column locations, and several leaseholds may be in the same fire protection zone.

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**BRITISH AIRWAYS – JFK International Airport – Terminal 7  
UNISON-MAXIMUS Concessions Program  
CONCESSIONS DESIGN & CONSTRUCTION MANUAL**

**3.17 Telephone**

The Concessionaire will be responsible for ordering voice and data circuits from the various Telecommunications Service Providers (e.g. Bell Atlantic, AT&T, Sprint). For routing the Telecommunications circuits to the leasehold, the Concessionaire must use the building cable plant, provided by the British Airways. Originating from the nearest Communications Support Room (SCR), a fifty pair category five ( CAT5 ) cable shall be installed by the Concessionaire terminated within the leasehold.

**3.18 Natural Gas**

For any natural gas supply lines required for cooking or for hot water heating appliances, the concessionaire is responsible for the design, engineering and installation within their leasehold and for connecting the gas line to the existing natural gas supply in the terminal. Any venting required shall also be provided by the concessionaire as will any required metering.

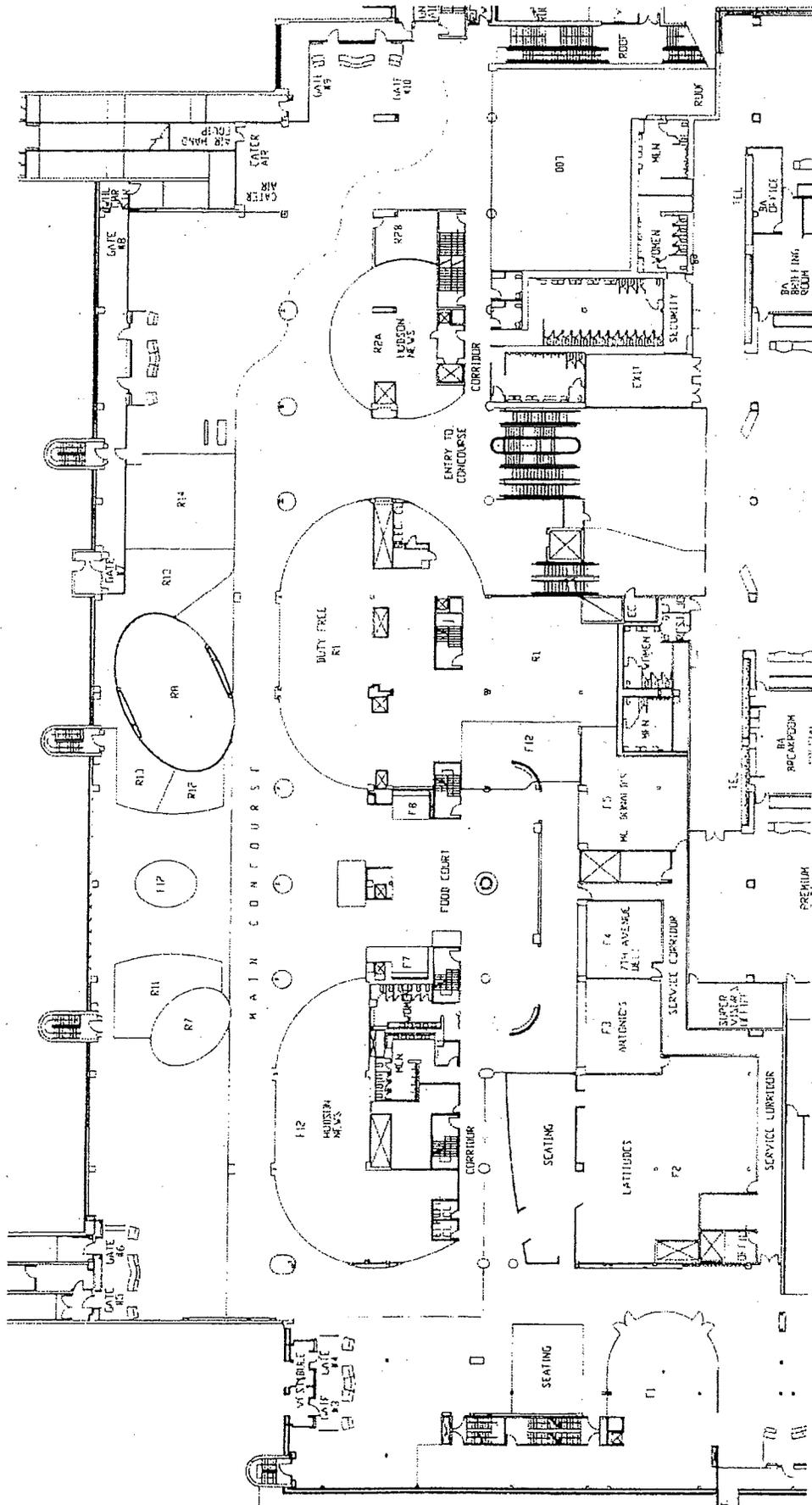
**3.19 Structural**

The Base Building structure will accommodate floor loading of (Ex. 4) live load, which cannot be exceeded by the Concessionaire.

**END OF SECTION**

**EXEMPTION (4)**

**DRAWINGS OF NON-PUBLIC AREAS**



BRITISH AIRWAYS - TERMINAL 7  
 JFK INTERNATIONAL AIRPORT  
 DEPARTURES LEVEL - CONCOURSE  
 ENLARGED PLAN

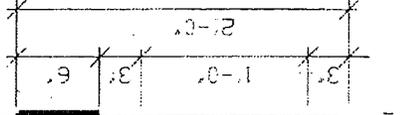
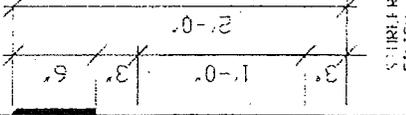


SKYLIGHT ABOVE  
SKYLIGHT FASCIA

SKYLIGHT ABOVE  
SKYLIGHT FASCIA

RIBBON TRIM AT 10'-0"  
W/ 8'-0" SET BACK  
SOFFIT

SKYLIGHT ABOVE  
SKYLIGHT FASCIA



SIGNAGE ZONE

SIGNAGE ZONE

SIGNAGE ZONE

SIGNAGE ZONE

SIGNAGE ZONE

3/4" x 3/4" MINIMUM BEVEL @ 8'-0"  
SOFFIT / WALL SEPARATOR - CURVED TO SUIT

3/4" x 3/4" MINIMUM BEVEL @ 8'-0"  
SOFFIT / WALL SEPARATOR - CURVED TO SUIT

STOREFRONT FINISH

RIBBON TRIM AT 10'-0"  
WALL CONTINUATION

RIBBON TRIM AT 10'-0"  
W/ 8'-0" SET BACK  
SOFFIT

RIBBON TRIM AT 10'-0"  
CEILING W/ 8'-0" SLI  
BACK SOFFIT

RIBBON TRIM AT 10'-0"  
CEILING AND WALL  
CONTINUATION

RIBBON TRIM AND FASCIA DETAILS FOR SIGNAGE & STOREFRONTS  
BRITISH AIRWAYS - JFK - TERMINAL 7  
AUGUST 25, 2006  
TRANSYSTEMS INC. - P703050485



LIMIT LINES

FIRST SUBMISSION 11" X 17" PRESENTATION BORDER FORMAT  
DO NOT SHOW LIMIT LINES  
CLIENT LOGO LOWER LEFT  
DESIGNER LOGO LOWER RIGHT  
TITLE CENTERED IN FORMAT INDICATED  
PROVIDE A 'POLYLINE' WITH .02 THICKNESS APPROXIMATELY  
1" ABOVE BOTTOM OF SHEET

LIMIT LINES

1'-5"

TAKE PRINT AND SPRAY MOUNT ON 1/4" BLACK FOAM CORE BOARD, ONE FOR PLAN, ONE FOR REFLECTED CEILING PLAN, ONE FOR ELEVATION PER INSTRUCTIONS GIVEN IN THE MANUAL - SECTION 2.

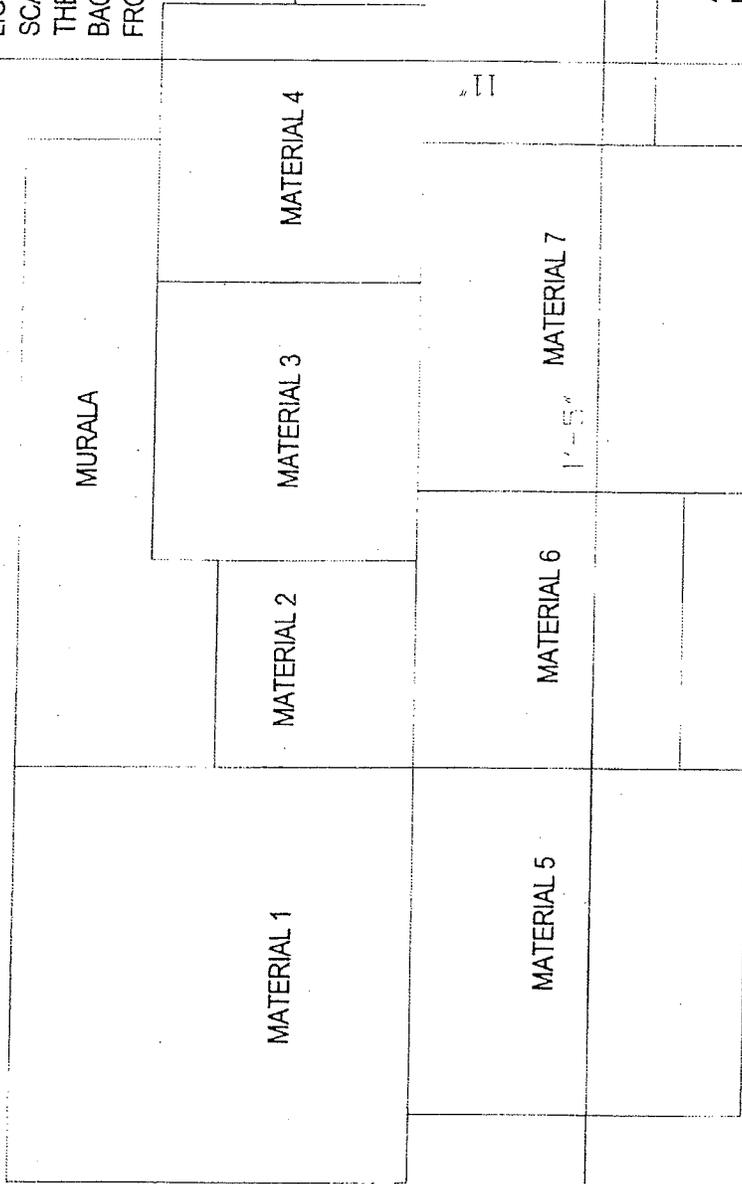
ADDITIONAL BOARDS MAY BE PRESENTED, PERSPECTIVE SKETCH FOR EXAMPLE, BUT MUST FOLLOW THE SAME FORMAT.

CLIENT LOGO HERE  
APPROXIMATE SIZE AND LOCATION  
SCALE TO SUIT

STORE NAME(S)  
STORE SPACE NUMBER, NAME AND TITLE (PLAN - ELEVATION ETC)  
BRITISH AIRWAYS - JOHN F. KENNEDY INTERNATIONAL AIRPORT - TERMINAL 7  
DATE OF THE SUBMISSION

DESIGNER LOGO HERE  
APPROXIMATE SIZE AND LOCATION  
SCALE TO SUIT

LIMIT LINES



LIMIT LINES

SAMPLE MATERIALS ARE TO BE FIXED TO THE  
 1" BLACK FOAM CORE BOARD AND FOR  
 LIGHTING OR MURALS / GRAPHICS SUITABLE  
 SCALED PHOTOGRAPHS MAY BE USED.  
 THE GHOST LAYOUT IS TO BE PASTED TO THE  
 BACK SHOWING THE MATERIAL ON THE  
 FRONT.

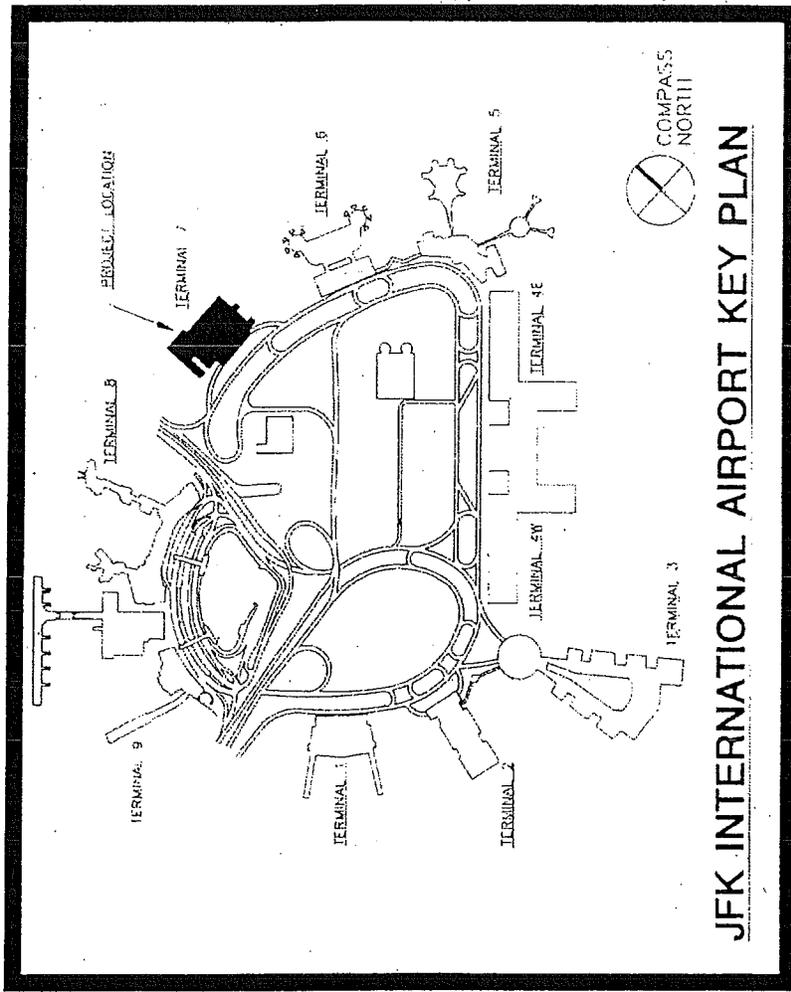
PHOTOGRAPH

ADDITIONAL BOARDS MAY BE  
 PRESENTE BUT MUST FOLLOW THE  
 SAME FORMAT.

CLIENT LOGO HERE  
 APPROXIMATE SIZE AND LOCATION  
 SCALE TO SUIT

STORE NAME(S)  
 MATERIALS BOARD  
 BRITISH AIRWAYS - JOHN F. KENNEDY INTERNATIONAL AIRPORT - TERMINAL 7  
 DATE OF THE SUBMISSION

DESIGNER LOGO HERE  
 APPROXIMATE SIZE AND LOCATION  
 SCALE TO SUIT



BRITISH AIRWAYS - TERMINAL 7  
 JFK INTERNATIONAL AIRPORT  
 LOCATION MAP

## TENANT SPACE DATA

### APPLICABLE CODES:

BUILDING  
MECHANICAL  
PLUMBING  
ELECTRICAL  
ACCESSIBILITY:

NEW YORK CITY BUILDING CODE  
NEW YORK CITY BUILDING CODE  
NEW YORK CITY BUILDING CODE  
NEW YORK CITY ELECTRICAL CODE  
ICC/ANSI A117.1 - 2003 ACCESSIBLE AND USABLE BUILDINGS AND FACILITIES

### BASE BUILDING:

OCCUPANCY GROUP CLASSIFICATION  
TYPE OF CONSTRUCTION  
BUILDING HEIGHT IN STORIES  
TYPE OF CONSTRUCTION

GROUP XX, ASSEMBLY - NYCBC XX  
PASSENGER TERMINAL (AIRPORT) - NYCBC TABLE XX  
XX STORIES  
CONSTRUCTION TYPE XX PROTECTED - NYCBC TABLES XX

### TENANT SPACE:

LOCATION:

SPACE NAME TERMINAL 7, RETAIL SPACE, DEPARTURES LEVEL  
JOHN F. KENNEDY INTERNATIONAL AIRPORT

OCCUPANCY GROUP CLASSIFICATION  
TYPE OF CONSTRUCTION  
IMMEDIATE ADJACENT USES  
REQUIRED SEPARATION

GROUP XX, NYCBC TABLE XX  
CONSTRUCTION TYPE XX  
XXX, 10 NORTH, XXX TO EAST, ETC  
NORTH - XX HOUR OR NONE, NYCBC  
EAST - XX HOUR OR NONE, NYCBC  
SOUTH - XX HOUR OR NONE, NYCBC  
WEST - XX HOUR OR NONE, NYCBC  
X STORY, ETC.

HEIGHT IN STORIES

### SQUARE FOOTAGE:

GROSS

OCCUPANT LOAD

NUMBER OF EXITS REQUIRED  
EXIT WIDTH REQUIRED  
CORLSS WIDTH PROVIDED

XX SF  
RETAIL SALES LIC - XX SF/OCCUPANT  
XX/XX - XX OCCUPANTS  
XX FMT (MAX OCCUPANT LOAD FOR ONE EXIT, GROUP XX, NYCBC TABLE XX)  
XX OCCUPANTS/XX OCCUPANTS/UNIT=FTC  
SIDE FOLDING GATE, XX-XX" WIDE OPEN DURING BUSINESS HOURS

### RATING INFORMATION:

LOSS LENGTH OF TRAVEL

OCCUPANCY GROUP XX, MAX TRAVEL DISTANCE - XX' SPKLR PER NYCBC,  
SECTION XX, TABLE XX MAXIMUM SECONDARY TRAVEL XX' PER TABLE XX.

PRIMARY ESCAPE

FIRE PROTECTION SYSTEMS

FLAME SPREAD REQUIREMENTS

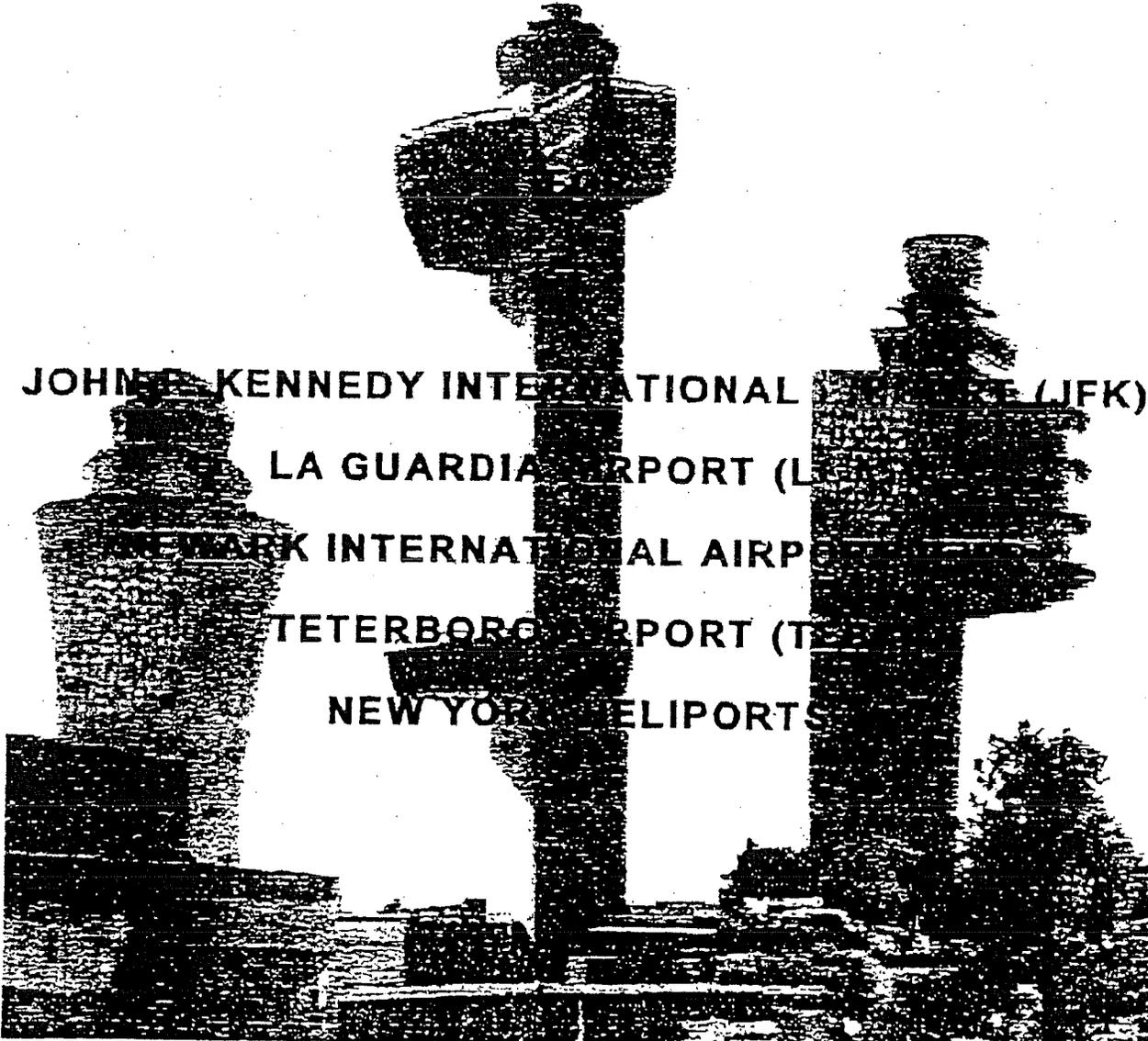
ROOMS XX CLASS XX

BRITISH AIRWAYS - TERMINAL 7  
JFK INTERNATIONAL AIRPORT  
TENANT SPACE - CODE DATA

**THE PORT AUTHORITY OF NY & NJ**

**AVIATION DEPARTMENT**

**TENANT ALTERATION  
PROCEDURES AND STANDARDS GUIDE**



**JOHN F. KENNEDY INTERNATIONAL AIRPORT (JFK)  
LAWRENCE G. BROWNE JR. FEDERAL AIRPORT (LGA)  
NEWARK INTERNATIONAL AIRPORT (EWR)  
STEWART INTERNATIONAL AIRPORT (TEB)  
NEW YORK HELIPORTS**

**MARCH 1998**

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## SECTION III. CONSTRUCTION PROCESS

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### Introduction

Upon approval of design documents, M/WBE Participation Plan and Asbestos Certification, the Manager, Airport Facilities Division will transmit to the Tenant, copying the A/E of Record, an "Approval to begin construction" letter with any unresolved "Basic" comments, if applicable. This letter will authorize construction to proceed and direct the Tenant to contact the Resident Engineers' Office (REO) to schedule a Pre-Construction Conference.

The Resident Engineers Office (REO) for Tenant Construction is a field unit of the PA Engineering Department. The REO is responsible for oversight of the Tenant activities with regard to (i) construction quality assurance and safety; (ii) compliance with the approved plans, specifications, and applicable Codes; (iii) controlled inspections as required by the Code; and (iv) material certifications. The Resident Engineer coordinates project close-out through receipt of appropriate certifications from the Tenant, the Tenant's contractor and A/E, and coordinates the PA audit inspections and tests of the life safety elements and installed systems for conformance with the approved plans, Codes, and PA Standards. Once construction begins, the primary contact with the Tenant will be the REO. If during construction certain changes to the approved design documents are required which necessitate additional reviews by the PA, the REO will direct the Tenant's consultant to resubmit the revised design documents to the TLO for review.

### A. Pre-Construction Conference

1. **Approval to Construct** - Once the PA TAA review process yields an approval to construct, or an approval subject to conditions; a letter is issued from the Airport Facilities Manager (sample letter - Figure V-13) indicating that construction may begin. This letter further refers the Tenant to the Resident Engineers' Office (REO) to schedule a Pre-Construction Conference.
2. **The Resident Engineers' Office** - This office performs audit inspections throughout the construction process. The Tenant's A/E is responsible for adequately inspecting and monitoring the work; ensuring the contractor constructs the improvement project in accordance with the PA approved plans and specifications; ensuring that all controlled inspections are performed as required by the applicable Building Codes; certifying that all life safety and code requirements are constructed/installed and tested properly; that all special PA construction requirements/permits are obtained (cutting and burning permits, hot work permits, etc.) and that all required Tenant A/E certifications are provided.

3. **Tenant Responsibilities** - The REO expects the Tenant and their A/E of Record, (the primary entity responsible for inspections), to have an appropriate construction Quality Assurance Program, including the necessary on-site inspection capabilities, for the size of the project, which will allow the A/E of Record to certify that the work is complete as described in Subsection III-C.

The PA also expects the Tenant and their A/E to monitor all construction activities to ensure the safety of construction workers, tenant employees and the general public.

4. **Pre-Construction Conference Requirements** - Required attendees include the Tenant, A/E of Record, prime and sub-contractors. Information required for the Preconstruction conference includes:

- a) Approval letter from the Airport Facilities Division (Figure V-13) authorizing construction.
- b) Contractors Insurance certificates (Figure V-24).
- c) Certification that no asbestos exists (Figure V-7) or an asbestos abatement program completion certification (Figure V-27).
- d) A letter from the Tenant identifying the A/E firm/individuals who will inspect the construction and who will certify its completion (Figure V-16) and a letter of understanding from the A/E (Figure V-17).
- e) Complete set of PA approved drawings and specifications for the REO.
- f) A review of all proposed construction staging areas, haul routes and delivery routes, including any needed modifications of existing conditions.
- g) An acceptance of the M/WBE Participation Plan (Figure V-6) by the airport AAO.
- h) A list of Contractor and sub-contractor emergency telephone numbers. A listing of PA emergency telephone numbers will be furnished to the Tenant at the Pre-Construction Conference (Figure V-15).
- i) A written compliance program by the Tenant's contractor for projects in which lead containing material will be disturbed.
- j) The REO will provide to the Tenant an Alteration Permit Placard (Figure V-14) at the Pre-Construction Conference which shall be prominently displayed at the site during construction.

5. **FAA Notice of Construction** - The Tenant shall pay special attention to the need to submit completed Notice(s) of Construction (FAA Form 7460-1). See Sample Notice in Figure V-30 for proposed permanent structure (i.e., building addition) and/or temporary structure (i.e., crane/pile driver) as directed by the PA Aviation Project Management and Technical Services Division (PMTS). The Tenant shall submit the Notice(s) to PMTS via the TLO. PMTS will review these Notices and file with FAA. Data provided must be correct and exact. Latitude and Longitude coordinates must be expressed in North American Datum 1983 (NAD 83), and all related elevations shown in feet above mean sea level at Sandy Hook, N.J. Early processing is urged as the FAA review process can take from 30 to 90 days, and construction cannot proceed without FAA approval.

## B. Insurance

When Tenant contractors perform construction work on site, they must have adequate insurance, as follows:

1. Any TAA (or construction alteration) with a cost of \$1,000,000 (one million dollars) or more will be submitted to Risk Management through the REO for written approval of the certificates of insurance prior to the commencement of any construction work.
2. Any Minor Work (Maintenance) request or TAA with a cost of less than one million dollars will be reviewed by the REO using the following guidelines:
  - a) Workers' Compensation is required for all tenant alterations.
  - b) Commercial General Liability Insurance on an occurrence basis with limits as follows:
    - (1) Rampside (Aeronautical) \$3,000,000 (General Aggregate, Products - Completed Operations Aggregate, Each Occurrence)
    - (2) Roadside (non-aeronautical) \$1,000,000 (General Aggregate, Products - Completed Operations Aggregate, Each Occurrence)
  - c) Automobile Liability (if Autos are used) for (Any) or (owned, Hired, Non-Owned) autos with limits as follows:
    - (1) Rampside (Aeronautical) \$3,000,000 Combined Single Limit
    - (2) Roadside (non-aeronautical) \$1,000,000 Combined Single Limit

- d) For Commercial General Liability and Automobile Liability, the PA of NY & NJ and the Tenant must be included as an additional insured. (Certificate holder is not the additional insured unless it says so.)
- e) If the cost of the TAA (or construction alteration) is less than one million dollars and the work to be done will be near aircraft (such as runways, taxiways, ramps and apron areas, or where the contractor would be in the same location as aircraft), then the alteration must be submitted to Risk Management in the same manner as stated in B.1 above.
- f) The Certificate of Insurance must include the TAA# and will be retained in the TAA or Minor Work (Maintenance) Request file by the REO. A sample certificate annotated to indicate the required information is shown in Figure V-24.

## C. Construction Activities

### 1. General

- a) During construction, there are no meetings required with the REO. However, the REO is available to attend job site meetings, if requested. Meetings can be scheduled by either the Tenant or the REO to address specific problems.
- b) Changes in construction due to field conditions which require redesign must be brought to the attention of the REO. The REO will determine if the change requires formal resubmission of documents to the PA for review.
- c) On alteration projects in occupied buildings, the Tenant must maintain the existing life safety systems in occupied areas until new systems are installed or modified and are operational. Temporary shutdown of sprinkler systems in occupied areas are permissible as long as the system is reactivated by the end of the work day. Any modification work on existing fire protection and alarm systems by the Tenant's contractor shall be cleared through the REO. Proper advance notification must be given prior to the shut down of any fire protection system at any time.
- d) Expansion of construction beyond the PA approved documents, workscope changes, or the undertaking of other construction not approved by the PA will be subject to an "unauthorized construction" notification, whereupon the work will be stopped and the Tenant's contractor may be required to remove the unauthorized construction.

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2. **Safety Procedures**

- a) The contractor must adhere to all general safety procedures and those specifically identified by the appropriate PA operating divisions and/or tenant facility managers, for the particular conditions in the area.
- b) Tenant construction, where unsafe practices are observed, can be shut down by the REO or PA Police.

3. **Inspections and Certifications**

- a) During construction, the airport Fire Marshal may visit the construction site and do spot checking for welding permits, certifications, and construction fire safety conditions. The Fire Marshal can stop the construction for unsafe fire conditions at any time and during final inspection may withhold occupancy approval if fire and life safety systems and/or code requirements are not met.
- b) Controlled Inspections are to be performed as required by the applicable Building Code. Copies of signed and sealed reports must be submitted to the REO as they are performed, under cover letter from the A/E of Record indicating acceptance.
- c) Other inspections and certifications that may be required to be submitted to the REO prior to the REO recommending that a Permit to Occupy or Use be issued include:
  - (1) Concrete job mix formulas report
  - (2) Concrete test cylinder reports
  - (3) Soil compaction reports
  - (4) Concrete plant reports
  - (5) Pile driving logs and resurvey drawing, including deviations from design location and bearing capacity
  - (6) Backfill density tests including trenches
  - (7) Screenings density tests
  - (8) Asphalt density tests
  - (9) Structural steel erection certification by a PE
  - (10) Structural steel high strength bolts certification by PE
  - (11) Structural welds test report
  - (12) Structural steel mill certification
  - (13) Structural steel spray-on fireproofing certification.

- (14) Fire watch report including duration each day, duty list for each shift with telephone numbers and fire watch procedures to be followed
- (15) Suspended ceiling concrete anchors certification and suspension system components, if different from that approved by PA
- (16) Carpeting flammability test reports
- (17) Drapery flammability test reports
- (18) Flammability test reports on all other materials required by code
- (19) Electrical "HI-POT" tests and inspection reports on electrical power feeder
- (20) Roof warranties, guaranties or bonds.
- (20) Ground rod resistance test report at aircraft location
- (21) Aircraft fueling systems cathodic protection certification.
- (22) Vehicle fueling systems cathodic protection certification.
- (23) Copy of sprinkler drawings approved by tenant's fire protection underwriter.
- (24) Shatter-proof glass certification
- (25) Fuel tanks fire suppression system certification
- (26) Fuel tanks test inspection reports
- (27) Gas piping pressure test reports and certification
- (28) HVAC Balancing report
- (29) Hydrostatic test reports of sprinkler, plumbing and HVAC piping systems
- (30) Potable water analysis and purification test report
- (31) NYC Fire Department alarm box test certification (for JFK and LGA)
- (32) Smoke detectors velocity and sensitivity test report
- (33) Heat rise of detectors certificate of satisfactory performance
- (34) Certification letter from electrical engineer for fire protection systems, fire control panels, and transmission of alarms to the Police Fire Board signed and sealed
- (35) Certification letter from mechanical engineer for HVAC systems and other controlled inspected mechanical systems, signed and sealed.

- (36) Certification letter from A/E signed and sealed (Figure V-25 for a partial completion and/or Figure V-26 for a final project completion)

4. **Operational Considerations**

The REO will coordinate construction activities with the appropriate PA airport operating divisions and/or tenant facility managers for review of construction staging, work hours and maintenance of traffic (vehicular and pedestrian/passenger) as required. For example, at JFK, these include JFK Landside Services, the IAB Building and/or the Unit Terminal Managers.

For work in the vicinity of the EWR Monorail - any construction or surveying operation within 20 ft. horizontally measured from the center line of each guideway requires a Permit. A permit (see Figure V-31) from AEG (the Monorail Operation and Maintenance Contractor) may be issued subject to the location and nature of the activity in relation to the Monorail operation. The permit must be applied for, through the REO, at least 48 hours prior to the start of work. AEG and/or the PA reserves the right to deny or rescind the permit at their discretion at any time.

5. **Cranes and Pile Drivers**

- a) The REO shall be notified at least 48 hours prior to the arrival of any crane (or pile driver) at the work site.
- b) If on the Airside, on the day of arrival of the crane (or pile driver) at the work site, and every day the crane (or pile driver) is at the work site, the Aeronautical Operations Duty Supervisor will be notified of its presence and location, the time work will be started, and a second notification at the end of each work day. The current telephone number of the Aeronautical Operations Duty Supervisor will be provided to the Tenant at the Pre-Construction Conference.
- c) The following information for each crane (or pile driver) shall be given to the REO and/or the Aeronautical Operations Duty Supervisor:
  - (1) Boom height and its location with respect to the nearest adjacent Runway centerline.
  - (2) Weight
- d) Crane (or pile driver) must be grounded.

- e) Crane (or pile driver) must have an up-to-date Certificate of Inspection from the appropriate local authority (eg., New York City).
- f) Crane (or pile driver) operator must have a current Operator's License from the appropriate local authority (eg., New York City).
- g) All cranes and pile drivers shall be appropriately marked and lighted.
- h) Equipment taller than 25 feet shall be lighted and marked in accordance with FAA requirements, and as directed by the PA.
- i) At EWR, a PA engineer must be on site for all pile driving.

6. **Required Construction Permits**

- a) Cutting and Welding Permits - (Figure V-19) are issued by the REO to individuals on specific projects by name & TAA identification number. The individual must request these permits from the REO. For a burning permit, the individual must have a Fire Department Permit or Certificate of Fitness for Burning from the appropriate local authority. For a Welding Permit, if non-structural, the requirements are the same as a burning permit. For a structural welding permit, the requirements are the same as a burning permit plus either a local Building Department license for welding or AWS certified permit for welding.
- b) Hot Work Permits - (Figure V-20) are required on ramp-side and areas near fuel lines. A Hot Work Permit is required to be obtained on a daily basis from the REO.
- c) Electric arc welding must be pre-cleared with the FAA indicating the type of equipment to be used due to electronic interferences. Contact with the FAA shall be made through the TLO or the REO.
- d) Any surfaces coated with lead based paint which are to be cut or welded either by gas or electric arc must be stripped of paint in the affected area and the residue properly disposed of prior to proceeding with the work.

7. **Security**

For non-airside work, workers are required to wear identification which indicates which contractor they are working for.

For Work on the Airside:

- a) All Tenant contractor personnel shall have numbered badges (pouches). The contractor shall submit a list of employees by name, badge number, and social security number to the Aeronautical Services Division via the REO on a daily basis.
- b) Employees riding on contractor shuttles traveling onto the Airside will be checked against approved employee badge lists at access gates.
- c) Contractor employees driving unescorted on airside or ramp areas must have an airside drivers permit based on attendance at and successful completion of a special Airport Security Division driving class. Contact the REO for information on class schedules.
- d) All unescorted vehicles operating in the ramp area must display proper PA identification. Such identification is obtained from the PA Police through the REO.
- e) Maintaining security on the ramp as per Federal Air Regulation (FAR) Part 107 is a requirement.
- f) Tenants may erect a fence around their leasehold work area to separate the site from the airside. The area within the fence may be then considered landside and may not fall under the security requirements of airside work. Any gates onto airside would have to be manned by a guard and be adequately secured. Fences must comply with FAA Advisory Circular #107-1 requirements.

## 8. Asbestos

- a) Asbestos abatement construction regulations are different from normal construction activities. Different requirements are implemented for preconstruction meetings and close-out activities for asbestos projects.
- b) During abatement work, the PA Engineering Department and the airport Environmental Services Unit field representatives audit the contractor's and Tenant's Environmental consultant's work. There are a series of inspections performed by the environmental consultant. The PA field representative will also perform confirmation inspections after the environmental consultant's approval of the contractor's work.
- c) The environmental consultant collects final air clearance samples and based on the results will notify the REO whether or not to commence the breakdown of the work area. The consultant will then provide a letter certifying the area is ready for occupancy. (Figure V-27) The PA field representative will also conduct a final visual inspection in the presence of the

environmental consultant after the certification is received from the consultant by the REO.

- d) A final and all inclusive compliance report completed by the contractor and certified by the environmental consultant must be given to the PA to become part of the record for future facility use.

9. **Lead Paint**

Prior to construction activities, it must be determined if lead based paint is present in the work area. The PA requires that all contractors comply with EPA, OSHA, and State Regulations in the handling, removal and disposal of lead based paint. Contractors shall provide a written compliance program as required by OSHA and include a proposed plan for the containment and disposal of disturbed lead to the REO. Most susceptible problems occur with workers burning and/or cutting steel with lead paint or scraping or blasting lead paint. Lead must be contained, collected, and disposed of properly. Refer to Subsection IV-F for further information.

10. **Materials Control**

- a) **Material Storage** - The storage of construction materials shall be controlled in Tenant construction to avoid unsightly appearance and to prevent winds and/or jet blast from scattering materials on airside. Appropriate storage areas and tie-downs must be provided by the contractor and approved by the REO.
- b) **Removal of surplus materials** - Fill, dirt, etc., shall be done as the work progresses. No material will be stockpiled on the site without prior written approval by the REO. Excess useable fill material shall be delivered to a location designated by the REO and shall become the property of the PA, unless the PA directs the Tenant to remove and dispose of it. The Tenant shall request this determination by the TLO at the time of the initial submittal of the TAA.
- c) **Contaminated Soils and Ground Water** - Contaminated soils and ground water are also an issue that must be addressed by Tenant A/Es and Contractors. Removal or abatement must meet all local, state and federal laws and regulations. Refer to Subsection IV-F for further information.

11. **Dewatering**

Dewatering in Tenant Construction must be carefully coordinated with the PA airport Environmental Services Unit through the REO or TLO. Refer to Subsection IV-F.

12. **Construction Deliveries Through the Airside**

- a) Normal deliveries should be scheduled for off-peak hours. Deliveries of oversize materials or equipment via airside routes shall be requested by the Tenant to the REO not less than 24 hours prior to the requested time, over a pre-approved route, and should usually take place at night. Delivery times are to be arranged at the Pre-Construction meeting.
- b) An assigned escort and monitored haul route will be established through secured areas by the REO when frequent deliveries are anticipated, such as concrete deliveries.
- c) In cases where there are frequent deliveries for a limited time period the contractor may request numbered badges for delivery personnel. The Contractor shall submit a list of numbered badge with names and social security numbers of employees on a daily basis. These are checked at the time the delivery comes through the airside gate. All drivers must have an airside drivers permit as noted in paragraph 7 of this Subsection.
- d) Any construction activity proposed that will impact taxiway clearances or aircraft operations must be coordinated through the REO at least 24 hours in advance.
- e) Airlines or other Tenants who have escort privileges can provide for their own escort of normal deliveries on the Airside Service Road. The REO must be notified in advance of all Airline or Tenant escorts.

13. **Construction - Utilities**

- a) For JFK and LGA, all utility services for primary (high tension) and secondary, electrical, water, sewage connections, and aircraft fueling are provided to the Tenant site. The Tenant's contractor makes connections to the Utility Systems. Coordination with the Maintenance Services Division (MSD) for access road connections is handled through the REO. The exception to this is for natural gas, which is handled directly with Brooklyn Union Gas Company and telephone which is handled directly with Bell Atlantic. Any access to utility manholes and temporary construction power service must be arranged through the REO.
- b) For EWR, all utility services for water, sewage, and aircraft fueling are provided to the Tenant site. Connections for electrical service is handled directly with PSE&G Co. and for telephone with Bell Atlantic. For natural gas, the TLO should

be contacted to determine whether the Tenant should deal with PSE&G or Elizabethtown Gas Co.

- c) For TEB, the Tenant's contractor should arrange with local utilities for all connections.
- d) The appropriate 800-number should be called before digging to install underground utilities (see Figure I-1).

#### 14. M/WBE Requirements during Construction

On a monthly basis, M/WBE Reports (MEUR) are required and are to be sent directly to the airport Affirmative Action Office (see Figure I-1), as follows:

- a) **Statement of M/WBE Payments Reports** - In order to assure that the planned goals are being met, a monthly Statement of M/WBE Payments Report must be submitted directly to the AAO throughout the construction period. (Figure V-23)
- b) **Monthly Employment Utilization Report (MEUR)** - Submit a Monthly Employment Utilization Report (Figure V-21) which itemizes the minority and female participation in the construction work force by specific trade description (Figure V-22) during project construction.
- c) **Submission** - Both the Statement of M/W/DBE Payments Report and the Monthly Employment Utilization Report should be submitted to the Affirmative Action Office (AAO). TAA project numbers must be shown on the reports. Both reports should be submitted by the 15th of each month reflecting the preceding month's activity.

#### 15. Miscellaneous

- a) **Fuel Storage Tanks** - The PA requires that all aboveground and underground storage tank installations and closures comply with the applicable code and environmental regulations (See Subsection IV-G). In addition, it is PA policy that all underground storage tanks may not be abandoned in place and must be removed regardless of regulatory guidelines. This applies to both new construction and replacement projects. A tank installation and/or closure plan must be submitted with the TAA. Specific inquiries must be coordinated with the airport Environmental Manager.
- b) **Construction Site Appearance** - During the contract design preparation and at the Preconstruction Conference the TLO and the REO will discuss and transmit to the participants, PA standards regarding the maintenance and upkeep of

construction sites, both interior and exterior, including dust control.

- c) **Construction Site Access** - The construction contractor must provide the airport Operating Divisions staff with the ability to access work areas for periodic site review. This may be coordinated through the REO.
- d) **Contractor Employee Conduct** - Contractor employees must conduct themselves in a manner appropriate for public areas; i.e. proper dress, no foul language, etc..

#### D. Final Inspection and Close Out Requirements

1. **Certifications** - A/E certification of completed construction will not be accepted or a final inspection scheduled if there are any unresolved Rider comments. The Tenant's A/E is to certify by letter (Figure V-26) that the work has been constructed in accordance with the PA approved plans and specifications; that applicable Code requirements are met and; that all life safety systems are complete and operational. Two original copies of the letter are required, both signed and sealed by the A/E of Record. One copy is sent to the REO and can serve to request a final inspection by the PA and the second original is sent to the TLO. Partial occupancies may be requested but will be subject to the discretionary approval of the PA. In these cases, the A/E shall provide certifications as to the partial area involved. (Figure V-25) All fire safety requirements must be met in the partial occupancy area.
2. **Separate A/E's** - If there are separate A/E consultants, each consultant must certify their area of responsibility. These consultants must be identified at the Preconstruction meeting and in the initial letters submitted to the REO by the Tenant.
3. **Final Inspection** - Once construction is complete, and the Tenant's A/E letter so states and certifies; all Rider comments have been resolved; all life safety systems are operational and tested; all controlled inspections are complete; and all other reports and submissions to the REO have been provided, the REO will evaluate the project as to its completion. If satisfied that the construction is complete and meets all PA requirements for completion, the REO will schedule a final PA inspection to be attended by the Tenant's A/E, by the REO staff, and by other appropriate PA review groups.

4. **Inspection Support** - The Tenant and/or the A/E(s) of Record must ensure that the proper A/E and contractor personnel are available and present to conduct the required final inspection testing. In addition, the appropriate subcontractors shall be available to operate, test, demonstrate, and repair, if necessary, all systems including fire alarm, sprinklers, HVAC, life safety, and fire protection systems and provide equipment, tools, ladders, etc. for access to all areas. The A/E of Record will be notified by the REO what tests are required during the final inspection.
  
5. **As-Built Plans & Specifications - Record Documents** - After all Rider comments and field as-built conditions are incorporated into the construction documents, the Tenant shall deliver two reproducible sets of final "As-Built" drawings to the REO for the PA's records along with two copies of the operations and maintenance manuals, specifications and manufacturer's O&M instructions for equipment and systems in the facility. The Tenant is encouraged to submit the drawings in a PA-compatible CADD format (see Subsection IV-I). The documents are required from Tenant's A/E in advance of the PA Final Inspection (one set for the REO final inspection and one set for the TLO).
  
6. **Life Safety Systems Inspection** - The airport Fire Marshal and the PA Risk Management, Fire Protection groups require extensive testing of the fire protection and alarm systems during final inspection. Frequent problems include systems that are not complete at the time of inspection and inadequate personnel available from the Tenant's A/E, Contractor or Sub-Contractor to perform the test or to reset elements during the testing. PA inspection staff will concentrate on, but are not limited to the testing of the following items related to fire and life safety:
  - a) Automatic Sprinkler Systems - All tamper and water flow alarms for sprinkler systems must be tested for operation. Depending on the type of sprinkler system, other features may have to be tested or demonstrated including trip tests for dry pipe sprinkler systems or actuation of pre-action and deluge sprinkler system valves.
  - b) Area Smoke Detection Systems - Area smoke detectors will normally be tested on a random basis depending on the amount of detectors. Smaller installations may require testing of all detectors. There is no minimum amount of detectors that are predetermined as acceptable. Satisfactory installations depend on the quality of work performed, results for tests on all fire

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protection systems, and the overall condition of the areas inspected.

- c) Duct Smoke Detection Systems - All duct smoke detectors must be tested to verify fire alarm signal transmission and shutdown of HVAC equipment. The duct detector must shutdown the unit for which it is installed.
  - d) Manual Fire Alarm Stations - As with area smoke detectors, manual fire alarm stations (manual pull stations, break glass stations, etc.) are tested randomly until PA Risk Management fire protection staff are satisfied with the system operation.
  - e) Fire Alarm Signal Transmission - Verification that fire alarm signals are transmitted to a remote monitoring station.
  - f) Other aspects of fire and life safety - are evaluated including fire resistant construction, means of egress, emergency lighting, exit signs, special fire suppression, and the operation of essential fire protection equipment such as fire pumps and standpipe systems.
7. **Inspection Punch List** - The REO generates a punch-list during the Final Inspection. If the punch list is minor and no life safety items exist, the REO will recommend to the Manager, Airport Facilities, the Engineer of Construction and the Engineer of Projects, CSQA that a Temporary Permit to Occupy or Use be issued.
8. **Authorization to Occupy or Use** - The Manager, Airport Facilities Division will, based upon the recommendation of the REO and concurrence of other members of the final inspection team, request a Permit to Occupy or Use from the PA Chief Engineer. The Tenant will be notified of approval to occupy by the Manager, Airport Facilities Division or his designated representative in the TLO.
9. **Final Inspection Approval Time** - The minimal time between satisfactory completion and acceptance of the Final Inspection at the site to the issuance of the authorization to occupy from the Manager, Airport Facilities is 48 hours, assuming all required approvals/certifications from the Tenant and the A/E of Record are in place. Fax communications may be used to expedite approval of a Temporary Permit.
10. **Types of PA Authorized Occupancies** -
- a) **Temporary Permit to Occupy (TPO)** - A TPO is generally issued when there are open PA punch list items which have

resulted from the final inspection. TPOs have a term, generally 90 days, and as such Tenants are encouraged to work with the REO and TLO to rectify/resolve punch list items as soon as possible. A TPO can be issued 48 hours after the final inspection.

- b) **Final Permit to Occupy (FPO)** - A FPO is issued upon satisfactory completion of all construction activities, submission of "as built" drawings and resolution of PA punch list items and outstanding Rider comments.
- c) **Partial Completion/Occupancy**
  - (1) The feasibility of partial inspections/occupancies are determined by the REO. However, where proposed, the individual areas and all related life safety systems that serve that area must be completed and operational.
  - (2) The Engineer of Projects, CSQA can issue a Temporary Permit to Occupy, but will do so only if all critical comments and all Code and life safety issues are resolved to the satisfaction of all PA review and inspection groups and upon receipt of certifications of the A/E and other PA entities.
- d) **FAA Facilities** - Different procedures are used where the FAA is a Tenant regarding certifications. Sample copies and detailed procedures are available from the TLO.

NOTE: This is an instruction sheet only.  
(Please remove before completing alteration application)

### PREPARATION OF TENANT CONSTRUCTION OR ALTERATION APPLICATIONS

1. Prepare 3 original copies of form PA 531AV, accompanied by 12 complete sets of drawings and specifications showing the proposed construction
2. All 3 application forms must bear original signatures of a Corporate Officer (Vice President or above) of the tenant whose company name appears on the lease.
3. All 3 application forms must bear original signatures and seal of Engineer or Architect of record employed by the tenant.

### TENANT CONSTRUCTION PLAN AND SPECIFICATION GUIDELINES

The following comments are to assist your engineer or architect in preparing drawings of proposed work. Use of the guidelines, where pertinent, will minimize Port Authority review time and resultant comments.

1. Locate area of construction with respect to existing conditions, (i.e., column numbers, coordinates, dimensions to existing structures, etc.), and provide a "Plot Plan."
2. Indicate existing structures and facilities in area affected and adjacent areas; also indicate all demolition and removals. For demolition projects where the wrecking or taking out of load-supporting structural members of the facility together with related handling operations, or the intentional burning of the facility is required, the U.S. EPA shall be notified in accordance with 40 CFR Part 61, Section 61.145(a)(b).
3. Include on drawings the plans, sections, elevations and details of proposed work.
4. Show arrangement of equipment and furniture, which might constitute an obstruction of passage to exits.
5. Provide floor plans to include that area beyond the limits of proposed work area necessary to show the entire means of ingress and egress.
6. Indicate where prescribed occupancy count for all area.
7. Give location and specifications for all fire protection equipment, i.e. fire doors, fire dampers, smoke detectors, sprinklers, fire alarm systems, hose cabinets, extinguishers, etc.
8. Include a note on the drawings requiring all work to be done in accordance with the National Electrical Code and the applicable code of the City, or municipality in which work occurs. F.I.R.O. and Employers Group of Insurance Companies approval required for sprinkler and fire protection items.
9. Indicate power requirements and source of power. Also indicate size and type of all electrical equipment, i.e. conduit, wire, panels, control devices, etc.
10. Provide details of all built-in equipment.
11. Provide complete specifications for all materials.
12. Show all new and modified ventilating systems including that portion outside the area of proposed work necessary to indicate the complete circulation cycle.
13. Provide design computations for major structural members including all existing members receiving additional loads.
14. All drawings must bear the stamp of a Registered Architect or Professional Engineer licensed in the state in which the work is to be performed
15. Asbestos and Demolition Certification Letter, Form PA 3677, is to be submitted with Form PA 531AV.
16. If Form PA 3677, Asbestos and Demolition Certification Letter, indicates that asbestos will be disturbed, Form PA 3678 is to be submitted with Form PA 531AV.
17. If Form PA 3677, Asbestos Certification Letter, indicates that asbestos will be disturbed and the tenant is waiving his/her right to participate in the Port Authority's litigation, Form PA 3679 is to be submitted with Form PA 531AV.
18. Asbestos work (abatement and consulting) must be performed by a state licensed abatement contractor approved by the Port Authority.
19. All materials used for the construction of this project, whether building materials or appurtenances, shall be non-asbestos containing materials.
20. All environmental services required to be performed with respect to tenant construction, including and without limitation, surveys, monitoring, laboratory analysis and waste removal, must be performed by a contractor/consultant, approved in advance by the Port Authority.
21. If proposals require resubmission, clearly indicate change from original on the resubmitted drawings.
22. An MBE/WBE Participation Plan must be submitted and accepted by the P.A. prior to approval of this application.
23. An MBE/WBE Participation Report must be submitted monthly during construction.
24. "As Built" Drawings are to be furnished after completion of this work.

**THE PORT AUTHORITY OF NY & NJ**  
**225 Park Avenue South**  
**New York, New York 10003**

For Port Authority Use Only	
Facility	APP. No.
Date	Applicant's Name

**TENANT CONSTRUCTION OR ALTERATION APPLICATION**

**APPLICANT MUST READ THE TERMS AND CONDITIONS INCLUDED WITH THIS FORM**

The Applicant shall not commence performance of any of the said work prior to the receipt by Applicant of a copy of this application duly signed in Part Three hereof on behalf of the Port Authority of New York and New Jersey. Upon receipt thereof, the Applicant agrees to perform said work in accordance with the following "Information to be Furnished by Applicant" and to comply with and be bound by all requirements and conditions set forth below under the remarks, if any, in Part Three hereof and the terms and conditions set forth in this form.

Minimum Insurance Limits Unless Specified to be Greater – Bodily Injury \$500,000 each person; \$500,000 each occurrence; Property Damage \$500,000 each accident; \$500,000 aggregate.

**PART ONE: Information to be furnished by Applicant (Refer to your lease or permit for required information)**

Permission is hereby requested to perform the following described work on the space occupied by the Applicant.

At (Facility)	Pursuant to (Lease, Space, Permit) No.	Location (Building No. or Area) of Space to be Altered
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Description of Work and Reason

Estimated Cost of Work \$	Estimated Time to Complete (Days)	Starting Date	Completion Date
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Plans: Prints of each drawing must be submitted with copies of application. Include floor plan and show area affected by proposed Work (size 8 1/2" x 11" or larger).

TITLE OF DRAWING	DRAWING NO.	DATED

Name & Address of Contractor (If Not Known, Submit Later)	Name & Address of Engineer or Architect	Telephone No.
		License No.

Send Correspondence To: (Name & Address of Employee in Charge of Work)	<p align="center"><b>ENGINEER OR ARCHITECT CERTIFICATION</b></p> <p>I have supervised the preparation of plans and specification for the entire work represented herein and hereby certify that they conform to the requirements of the respective enactments, ordinances, resolutions and regulations of the City, town or municipality in regard to construction and maintenance of buildings and structures and in regard to health and fire protection which should be applicable if the Port Authority were a private corporation.</p>
Telephone No.	

Applicant's Name (As it Appears on Lease or Permit)
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By (Signature of Authorized Rep.)	Title	Date	Signature of Licensed Prof. Engineer or Architect	Date
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**PART TWO: MBE/MBW PROGRAM INFORMATION**

A Minority Women Business Enterprise (MBE/WBE) Plan must be submitted and accepted by the P.A. prior to approval of this application. Forms and instruction for the preparation of the MBE/WBE Plan are attached to this application. In addition, a contact person responsible for this project's MBE/WBE Program should be designated below by the tenant.

MBE/WBE Contact Person (Name and address):	Telephone No.:
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**PART THREE: Prepared by Port Authority and returned to applicant.**

The above Application is  Approved  Disapproved. Subject to the following conditions:

Continued on attached Rider

Please advise the undersigned in writing, when this work has been completed.

The Port Authority of New York and New Jersey		By:
Inspected By	Date	Title
		Date

## TERMS AND CONDITIONS

1. In the performance of work covered hereunder the Applicant shall unless otherwise directed in writing by the Port Authority, conform to the requirements of the respective enactments, ordinances, resolutions and regulations of the city, town or municipality in which the Facility is located 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. The Applicant's obligations to comply with the above governmental requirements is for the purpose of assuring proper safeguards for the protection of persons and property at the Facility and is not to be construed as a submission by the Port Authority to the applications to itself of such requirements or any of them.
2. The Applicant shall comply also with such federal, state and municipal laws, statutes, orders and regulations, if any, as may be legally applicable to the work or the performance thereof or its employees therein. The Applicant shall consult with the Facility Manager with respect to the applicability of any and all laws, statutes, enactments, ordinances, resolutions and regulations and as to the procedures to be followed before taking any other action with respect thereto, and shall follow the instructions and procedure prescribed by said Facility Manager with respect thereto.
3. The Applicant shall also observe and obey (and compel its officers, employees, agents and contractors to observe and obey) the rules and regulations of the Port Authority now in effect which are applicable to the performance of the work and such further applicable rules and regulations which may from time to time during the said performance be promulgated by the Port Authority for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the Facility, or for the safe and efficient operation of the Facility.
4. The Applicant shall procure and maintain bodily injury and property damage liability insurance in its own name in at least the limits specified in the preamble to this Application and Workmen's Compensation insurance; or if the work is to be done by an independent contractor, the Applicant shall require such contractor to procure and maintain such insurance in the contractor's name. A certificate evidencing such insurance shall be furnished to the Port Authority Facility prior to the commencement of the work.
5. The Applicant shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents and employees, against and from (a) the risk of injuries (including wrongful death) or damage direct or consequential, to it or them or to its or their property, arising out of or in connection with the performance of the work, and (b) the risk of claims and demands by third persons arising or alleged to arise out of the performance of the work, whether such risks arise out of acts of omissions or the Applicant's contractors, the Port Authority, or otherwise.
6. The Applicant shall pay all claims lawfully made against it by contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the work, and shall cause all contractors and subcontractors to pay all such claims lawfully made against them.
7. Only first-class materials and workmanship shall be used in the performance of the work, which shall be done in accordance with the drawings described in Part 1 of this Application and to the satisfaction and subject to the inspection of the Facility Manager; the Applicant shall re-do or replace at its own expense any work not approved by him.
8. The Applicant shall notify the Facility Manager no less than two days prior to the commencement of the work, and shall complete the same within the number of days specified in Part 1 of this Application; and upon completion shall notify the Facility Manager.
9. In the performance of the work, (a) the Applicant shall not do or permit to be done any act affecting the operation of the existing plumbing, heating, fire-protection, fire-alarm, sewerage, drainage, water supply, electrical, sprinkler, ventilating, refrigerating, fuel or communication system at the Facility or other such service system thereat, including all pipes, tubes, lines, mains, wires, conduits, equipment and fixtures, except with the express written approval of the Facility Manager or the Port Authority resident engineer; (b) the Applicant shall obtain a Port Authority permit from the Facility Manager prior to any cutting or welding and shall comply with the conditions which form a part of said permit, a sample of which may be examined in the office of the Facility Manager.
10. (a) Prior to the commencement of the work and throughout the performance thereof, the Applicant shall erect and maintain at its own expense in or about the space such barriers, shields and other suitable protective devices for the protection of the public and others and their property as in the opinion of the Facility Manager may be necessary or desirable for the purpose. The work shall be performed in such manner as will cause the minimum inconvenience to members of the public and others at the Facility. During the performance of the work, the Applicant shall not permit the accumulation in or about the space of any debris, rubbish or litter of any sort resulting from such performance and shall make such arrangements for the frequent removal thereof from the Facility, by means of facilities to be furnished by the Applicant, as may in the opinion of the Facility Manager be necessary to prevent such accumulations.  
(b) In the performance of the work covered by this permit, the Applicant shall not employ any contractor nor shall the Applicant 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 Facility which interfere, or in the opinion of the Port Authority, are likely to interfere with the operations of the Facility by the Port Authority or with the operations of others at the Facility or with the progress of other construction work thereat. The determinations of the Port Authority shall be conclusive on the Applicant and, upon notice from the Port Authority, the Applicant shall immediately remove such contractor or withdraw or cause its contractors to withdraw from the Facility the persons, equipment or materials specified in the notice and replace them with unobjectionable contractors, persons, equipment and materials and the Applicant shall or shall cause its contractor to immediately rectify any conditions specified in the notice in the event of failure by the Applicant or any of its contractors to immediately comply with the requirements of this paragraph (whether or not such failure is due to the Applicant's fault) the Port Authority shall have the right to suspend this permit and the permission thereby granted, without prior notice when the labor troubles shall be so settled that such interference or the danger thereof no longer exists, the Port Authority, by notice to the Permittee, shall reinstate this permit 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.
- (c) Notwithstanding the approval of this permit by the Port Authority, the Applicant shall not perform or permit to be performed any work hereunder the performance of which or the subsequent use or occupancy of which will (1) invalidate or conflict or conflict with any insurance covering the Facility or any part thereof, or in any property located therein or thereon, or (2) increase the rate of any fire insurance, extended coverage, rental insurance or other insurance on the Facility, or any part thereof or upon any property located therein or thereon. The Applicant shall promptly observe, comply with and execute the provisions of any and all present and future rules, regulations, requirements, orders, directions and standards of the National Board of Fire Underwriters as interpreted by the New York Fire Insurance Rating Organization as to work performed in New York State, or as interpreted by the Fire Insurance Rating Organization of New Jersey as to work performed in New Jersey, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the performance of the work or to the completed work (including use or operation (hereof) and the Applicant shall make any and all structural and non-structural improvements, alterations or repairs of the work that may be required at any time hereafter by any such present or future rule, regulation, requirement, or order or direction. If because of the work done or by reason of any failure on the part of the Applicant to comply with the provisions of this paragraph any such insurance shall at any time be limited, cancelled or invalidated, then the Applicant shall immediately remove the work, or if the rate of premium for any such insurance shall be higher than it otherwise would be, then the Applicant shall pay to the Port Authority on demand that part of all premiums which shall have been charged because of such work or by reason of such failure by the Applicant. The Applicant shall furnish to the Port Authority evidence of approval of the work by the insurance authority having jurisdiction.
11. Title to any installation, improvement, alteration, modification, addition, repair or replacement resulting from work done pursuant hereto shall immediately upon completion vest in the Port Authority (or in the Port Authority's lessor, if any and if the agreement between such lessor and the Port Authority so provides) without execution of any further instrument. The Applicant shall not remove or change the same unless the Port Authority, on or prior to the expiration or termination of the lease or permit described in Part 1 of this Application or within sixty (60) days after such expiration or termination, shall give notice to the Applicant requiring removal or restoration, in which case the Applicant (on or prior to the expiration or termination date or, if the notice is given after such date, then immediately after receipt of the notice) shall complete the removal of all of the same (or as much thereof as may be required by the notice) and the restoration (to the extent required by the notice) of the space affected by the work to the same condition as it was in prior to the commencement of the said work. If the Applicant shall fail to comply with such notice, the Port Authority may effect the removal and restoration and the Applicant shall pay the cost thereof to the Port Authority upon demand.
12. A certificate of completion shall be issued to the Applicant by the Facility Manager upon request of the Applicant on completion of the work hereunder in accordance with the Terms and Conditions hereof and inspection thereof by the Facility Manager. Issuance of such certificate shall not preclude the Port Authority from showing that Applicant has failed to comply with his obligations hereunder nor shall it release Applicant from such obligations.

Exhibit F  
Guaranty

Intentionally Omitted

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Affirmative Action Policy

Exhibit G

EXHIBIT G

AFFIRMATIVE ACTION-EQUAL OPPORTUNITY—MINORITY BUSINESS ENTERPRISES — WOMEN-OWNED BUSINESS ENTERPRISES REQUIREMENTS

Part I. Affirmative Action Guidelines - Equal Employment Opportunity

I. As a matter of policy the Port Authority hereby requires the Lessee and the Lessee shall require the Contractor, as hereinafter defined, to comply with the provisions set forth hereinafter in this Schedule E and in Section \_\_\_\_\_ of Port Authority Agreement No. \_\_\_\_\_ (herein called the "Lease") with \_\_\_\_\_ (herein and in the Lease called the "Lessee"). The provisions set forth in this Part I are similar to the conditions for bidding on federal government contract adopted by the Office of Federal Contract Compliance and effective May 8, 1978.

The Lessee as well as each bidder, contractor and subcontractor of the Lessee and each subcontractor of a contractor at any tier of construction (herein collectively referred to as "the Contractor") must fully comply with the following conditions set forth herein as to each construction trade to be used on the construction work or any portion thereof (said conditions being herein called "Bid Conditions"). The Lessee hereby commits itself to the goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions. The Lessee shall likewise require the Contractor to commit itself to the said goals for minority and female utilization set forth below and all other requirements, terms and conditions of the Bid Conditions by submitting a properly signed bid.

II. The Lessee and the Contractor shall each appoint an executive of its company to assume the responsibility for the implementation of the requirements, terms and conditions of the following Bid Conditions:

(a) The goals for minority and female participation expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work are as follows:

- |                            |      |
|----------------------------|------|
| (1) Minority participation |      |
| Minority, except laborers  | 30%  |
| Minority, laborers         | 40%  |
| (2) Female participation   |      |
| Female, except laborers    | 6.9% |
| Female, laborers           | 6.9% |

These goals are applicable to all the Contractor's construction work performed in and for the premises.

The Contractor's specific affirmative action obligations required herein of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make good faith efforts to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract. Compliance with the goals will be measured against the total work hours performed.

(b) The Contractor shall provide written notification to the Lessee and the Lessee shall provide written notification to the Manager of the Office of Business and Job Opportunity of the Port Authority within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

(c) As used in these specifications:

(1) "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941:

(2) "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

(d) Whenever the Contractor, or any subcontractor at any tier, subcontracts a portion of the construction work involving any construction trade, it shall

physically include in each subcontract in excess of \$10,000 those provisions which include the applicable goals for minority and female participation.

(e) The Contractor shall implement the specific affirmative action standards provided in subparagraphs (1) through (16) of Paragraph (h) hereof. The goals set forth above are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the premises. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

(f) Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations hereunder.

(g) In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

(h) The Contractor shall take specific affirmative actions to ensure equal employment opportunity ("EEO").

The evaluation of the Contractor's compliance with these provisions shall be based upon its good faith efforts to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

(1) Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each Phase of the construction project. The Contractor, shall specifically ensure that all foremen, superintendents, and other supervisory personnel at the premises are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at the premises.

(2) Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

(3) Maintain a current file of the names, addresses and telephone number of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

(4) Provide immediate written notification to the Lessee when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and training programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under subparagraph (2) above.

(6) Disseminate the Contractor's EEO Policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the Contractor's newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the Contractor's EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least every six months the Contractor's EEO policy and affirmative action obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decision including specific review of these items with on-premises supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at the premises. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates

doing business.

(9) Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations and to State-certified minority referral agencies serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the premises and in areas of a Contractor's workforce.

(11) Tests and other selecting requirements shall comply with 41 CFR Part 60-3.

(12) Conduct, at least every six months, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations hereunder are being carried out.

(14) Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

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

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

(i) Contractors are encouraged to participate in voluntary associations which

assist in fulfilling one or more of their affirmative action obligations (subparagraphs (1)-(16) of Paragraph (b) above). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the Contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under Paragraph (h) hereof provided that: the Contractor actively participates in the group, makes good faith efforts to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes good faith efforts to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's non-compliance.

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

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

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

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

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

(o) The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security

number, race, sex, status (e.g. mechanical apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and location at which the work is performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

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

(q) Without limiting any other obligation, term or provision under the Lease, the Contractor shall cooperate with all federal, state or local agencies established for the purpose of implementing affirmative action compliance programs and shall comply with all procedures and guidelines established or which may be established by the Port Authority.

PART II. MINORITY BUSINESS ENTERPRISES/WOMEN-OWNED BUSINESS ENTERPRISES

As a matter of policy the Port Authority requires the Lessee and the Lessee shall itself and shall require the general contractor or other construction supervisor and each of the Lessee's contractors to use every good faith effort to provide for meaningful participation by Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs) in the construction work pursuant to the provisions of this Schedule E. For purposes hereof, "Minority Business Enterprise" "(MBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by citizens or permanent resident aliens who are minorities and such ownership is real, substantial and continuing. For the purposes hereof, "Women-owned Business Enterprise" "(WBE)" shall mean any business enterprise which is at least fifty-one percentum owned by, or in the case of a publicly owned business, at least fifty-one percentum of the stock of which is owned by women and such ownership is real, substantial and continuing. A minority shall be as defined in paragraph II(c) of Part I of this Schedule E. "Meaningful participation" shall mean that at least seventeen percent (17%) of the total dollar value of the construction contracts (including subcontracts) covering the construction work are for the participation of Minority Business Enterprises and Women-owned Business Enterprises, of which at least twelve percent (12%) are for the participation of Minority Business Enterprises. Good faith efforts to include meaningful participation by MBEs and WBEs shall include at least the following:

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

(b) Actively and affirmatively soliciting bids for subcontracts from MBEs and WBEs, including circulation of solicitations to minority and female contractor

associations. The Contractor shall maintain records detailing the efforts made to provide for meaningful MBE and WBE participation in the work, including the names and addresses of all MBEs and WBEs contacted and, if any such MBE or WBE is not selected as a joint venturer or subcontractor, the reason for such decision.

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

(d) Utilizing the list of eligible MBEs and WBEs maintained by the Port Authority or seeking minorities and women from other sources for the purpose of soliciting bids for subcontractors.

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

(f) Insuring that provision is made to provide progress payments to MBEs and WBEs on a timely basis.

(g) Not requiring bonds from and/or providing bonds and insurance for MBEs and WBEs, where appropriate.

Certification of MBEs and WBEs hereunder shall be made by the Office of Business and Job Opportunity of the Port Authority. If the Contractor wishes to utilize a firm not already certified by the Port Authority, it shall submit to the Port Authority a written request for a determination that the proposed firm is eligible for certification. This shall be done by completing and forwarding such form as may be then required by the Port Authority. All such requests shall be in writing addressed to the Office of Business and Job Opportunity, the Port Authority of New York and New Jersey, One World Trade Center, 63 East, New York, New York 10048 or such other address as the Port Authority may specify by notice to the Lessee. Certification shall be effective only if made in writing the Director in charge of the Office of Business and Job Opportunity of the Port Authority. The determination of the Port Authority shall be final and binding.

The Port Authority has compiled a list of the firms that the Port Authority has determined satisfy the criteria for MBE and WBE certification. This list may be supplemented and revised from time to time by the Port Authority. Such list shall be made available to the Contractor upon request. The Port Authority makes no representation as the financial responsibility or such, firms, their technical competence to perform, or any other performance-related qualifications.

Only MBE's and WBE's certified by the Port Authority will count toward the MBE and WBE goals.

Please note that only sixty percent (60%) of expenditures to MBE or WBE suppliers will count towards meeting the MBE and WBE goals. However, expenditures to MBE or WBE manufacturer's (i.e. suppliers that produce goods from raw materials or substantially alter them before resale) are counted dollar for dollar.

\_\_\_\_\_  
For the Port Authority

Initialed:

\_\_\_\_\_  
For the Lessee

**Exhibit H**  
**Standards of Operation**

Concessionaire covenants and agrees that it shall conform with each of the following rules and regulations and each modification, revision, deletion, or addition thereto made by the Sublandlord, in the exercise of the reasonable judgment of the Sublandlord, and shall cause similar conformance by its employees, agents, contractors, and all others over whom Concessionaire has any right to control or direct while in the Airport. Notwithstanding the foregoing, in the event there is an inconsistency or conflict between any one or more of the Terminal Rules and Laws, then the Laws shall control and prevail. Sublandlord shall not be responsible to Concessionaire for the non-compliance by any other concessionaire with the Terminal Rules.

1. Concessionaire shall not place, construct, or maintain on the store front of the Concessionaire Premises, the doors, the exterior walls, the Common Areas or any portion thereof any signs, advertisements, names, insignias, trademarks, descriptive materials, or similar items without Sublandlord's prior written consent. All signs, promotional material and displays within the Concessionaire Premises must, at all times, be attractively displayed and professionally produced. Sublandlord, at Concessionaire's expense, as Additional Rent, may remove any sign placed, constructed or maintained that does not comply with the provisions hereof. Further, Concessionaire shall not, without Sublandlord's prior written consent, place, construct or maintain in or for the Concessionaire Premises any search lights, flashing lights, loud speakers, phonographs, or other similar visual or audio media which may be heard or otherwise experienced outside the Concessionaire Premises.
2. Concessionaire shall not, by itself, or through any officer, salesperson, employee, agent or otherwise solicit business in the vestibules, entrances, elevator lobbies, corridors, hallways or elevators of the Terminal.
3. **Quality and Character of Merchandise**
  - a) **Merchandising.** Concessionaire shall be specifically required and obligated to have continuously in-stock, on display and available for sale a full and complete stock of merchandise consistent with only the Permitted Operations. Concessionaire shall ensure that all such merchandise is at all times attractively and logically arranged and that all merchandise displays are fully stocked with product.
  - b) **Product Selection.** Concessionaire may from time to time, with written approval of the Sublandlord, or its designee, add or delete items from its merchandise offerings provided that such additions or deletions shall be consistent with those authorized in this Sublease, as amended, and do not conflict with the rights of other concessionaires at the Terminal as may be determined by Sublandlord, in its sole discretion.
  - c) **Quality of Merchandise.** Concessionaire shall offer for sale only high quality products and those which are safe, sanitary, properly labeled and as advertised. Upon written notice to Concessionaire by Sublandlord of any violation of this

provision, Concessionaire shall forthwith correct the condition objected to within four (4) hours after receipt of such notice.

- d) Sublandlord's Right to Object. Concessionaire shall upon written demand from Sublandlord cease selling any item that Sublandlord shall determine is objectionable for sale or display at the Terminal and immediately remove such item from its inventory and not thereafter offer such item for sale at the Terminal.
  - e) Replacement and Refunds. Concessionaire shall, at all times during the term of this Sublease, as amended, and without any additional charge to customers, replace any merchandise determined by customers to be unsatisfactory, flawed or defective or shall provide customers a full refund therefore provided said customers have complied with any applicable warranty and use provisions applicable to the merchandise.
4. Concessionaire shall accept as payment for goods and services all nationally recognized credit or charge cards including, at least, American Express, Master Card, VISA and Discover. Concessionaire shall provide, without charge, change-making services at each cashier's location in the Concessionaire Premises. Such service shall be equally provided to all persons, regardless if any purchase has been made or not.
5. Concessionaire shall not use or permit the use in the Concessionaire Premises of anything that may be dangerous to life or limb. Concessionaire shall not in any manner deface or injure the Terminal or any part thereof, or overload the floors of the Concessionaire Premises. Concessionaire shall not do anything or permit anything to be done in the Concessionaire Premises in any way tending to create a nuisance, or tending to disturb any other concessionaire in the Terminal.
6. Adherence to Standards.
- a) Concessionaire shall ensure that all requirements of the Port Authority and County and/or State Boards of Health, and health and sanitary regulations adopted by the Authority, County, State or any governmental legal authority, are fully complied with in all Facilities. Concessionaire shall give access for inspection purposes to any duly authorized representatives of such governing bodies and to Sublandlord. Concessionaire shall provide Sublandlord with copies of all inspection reports within forty-eight (48) hours of receipt. This paragraph does not require Concessionaire to waive any applicable attorney-client or attorney work product privileges.
  - b) Additional Compliance. Concessionaire shall comply with all applicable governmental laws, ordinances and regulations in the conduct of its operations under this Sublease, as amended.
  - c) Concessionaire's Standards. Concessionaire shall submit to Sublandlord a copy of any of its own customer service, operations, etc. standards, plans and/or manuals,

and shall ensure continuous adherence to Concessionaire's own standards in addition to Sublandlord's standards as set forth herein.

7. Concessionaire, at its sole cost and expense, shall provide exterminating service for the Concessionaire Premises, which services shall be performed as needed, and in all events, upon demand by the Sublandlord or Port Authority.
8. Trash and Refuse.
  - a) Concessionaire shall provide a complete and proper arrangement for the adequate sanitary handling of all trash, grease and other refuse caused as a result of the operation of the Concessionaire Premises and shall provide for its timely removal. Piling of boxes, cartons, barrels or other similar items in view of a public area is prohibited. Concessionaire shall keep any areas used for trash and garbage storage prior to removal from Terminal in a clean and orderly condition so as not to attract rodents, pests and birds or create an offensive odor.
  - b) In transporting trash, grease and other refuse from the Concessionaire Premises, Concessionaire shall use only carts, vehicles or conveyances that are covered, leak proof and equipped with wheels suitable for operating without damage to the Terminal. Such disposal shall take place during hours as may be directed by Sublandlord.
  - c) The plumbing facilities, within the Concessionaire Premises and elsewhere in the Terminal, shall not be used for any purpose other than that for which they are constructed, and no foreign substance of any kind shall be thrown therein. If installed in connection with the Concessionaire Premises, Concessionaire shall, at its own expense, check and clean at least monthly all grease traps and grease receptors. The expense of any breakage, stoppage, or damage resulting from a violation of this provision, wherever such occurs, shall be borne by Concessionaire who may, or whose employees, agents, or invitees may, have caused it.
  - d) If at any time during the Term, the Port Authority establishes a Terminal-wide recycling program, Concessionaire agrees to participate in any such program at its own cost.
9. The portion of the Common Areas, if any, immediately adjoining the Concessionaire Premises shall be kept clean and free from Concessionaire's dirt and rubbish by Concessionaire to the reasonable satisfaction of Sublandlord. Concessionaire shall not encumber or obstruct the corridors or stairways of the Terminal with furniture, equipment, boxes, crates, floor mats, merchandise, goods or otherwise. In the event of a violation, Sublandlord may move such objects into the Concessionaire Premises or to any other suitable location.

10. Personnel

- a) The management, maintenance and operation of the Concessionaire Premises and the concession conducted thereon shall be at all times during the Term under the supervision and direction of an active, qualified, competent and experienced manager, who shall at all times be authorized to represent and act for Concessionaire. Said manager shall have full authority to make day-to-day business decisions on behalf of Concessionaire, with respect to the concession operations contemplated by this Agreement, and shall represent the Concessionaire in dealings with Sublandlord, and coordinate all concession activities with Sublandlord. Concessionaire shall cause such manager to be assigned a duty station or office in the Concessionaire Premises at which he or she shall be available during normal business hours. During the absence of such manager, Concessionaire will, at all times during Store Hours, assign or cause to be assigned, a qualified subordinate to assume and be directly responsible for the carrying out of his or her duties.
- b) Concessionaire shall recruit, train, supervise, direct and deploy the number of representatives, agents and employees, collectively referred to as "personnel" necessary to promptly provide services to all customers and to meet all of the requirements of this Sublease, as amended. Concessionaire shall be continuously responsible for actively managing personnel levels to ensure that changes in passenger activity, due to schedule changes, load factor changes or flight delays are adequately accommodated through increased levels of personnel. Any actual or perceived degradation in (i) the customer service requirements set forth in this Sublease or other duties, rights or responsibilities set forth in this Sublease provided by Concessionaire in the course of conducting Concessionaire's permitted uses; or (ii) the training and competence of Concessionaire's personnel shall be conveyed to the Concessionaire and Concessionaire hereby agrees that it shall promptly institute training programs and/or add additional adequately trained and capable staff to the satisfaction of Sublandlord.
- c) In addition to the staffing level requirements set forth herein, Concessionaire shall ensure that all personnel utilized in the Concessionaire Premises shall conform to the following:
  - i) All personnel employed by the Concessionaire shall be neat, clean and courteous at all times.
  - ii) No loud, boisterous or otherwise improper actions or language shall be permitted while on or about the Terminal.
  - iii) Concessionaire shall, at its sole cost and expense, provide each member of the sales staff with a uniform of a design to be approved by Sublandlord, in its discretion, which shall be worn whenever said staff are in the Concessionaire Premises.

- iv) Personnel shall prominently display nametags, Airport Identification badges and any other specified airport badges and/or pins while on duty in the Terminal.
  - v) All personnel shall be actively working while on the sales floor in view of the public. No personnel shall be engaged in personal conversation (via telephone, etc.) or activities such as reading, writing, eating, etc.
  - vi) All personnel shall be attentive to customer needs, display a positive attitude and refrain from discussing personal issues/problems within the sales areas of the Concessionaire Premises.
  - vii) All personnel shall know and utilize practices of good customer service such as (1) assisting customers with purchase decisions; (2) identify product alternatives; (3) possess and display good product knowledge; and (4) utilize appropriate suggestive selling.
  - viii) All personnel shall provide warm, friendly, smiling, prompt and courteous service.
  - ix) All personnel shall be proficient with and trained in the required operations of all equipment and devices used in the Concessionaire Premises to facilitate sales (i.e. point of sale devices, credit card transaction equipment, etc.).
  - x) All personnel shall be familiar with all applicable policies of this Sublease, the Terminal and Concessionaire.
  - xi) All personnel engaged in sales activities shall speak and comprehend English, at a level appropriate to their duties.
- d) Sublandlord shall have the right to object to the demeanor, conduct, and appearance of any employee of Concessionaire or any of its invitees or those doing business with it, whereupon Concessionaire shall take all steps necessary to remedy the cause of the objection. If requested by Concessionaire, Sublandlord shall present its objections in writing and provide the opportunity to reply to the objections, such reply to be given consideration by Sublandlord.
11. The delivery or shipping of merchandise, supplies, and fixtures to and from the Concessionaire Premises shall be subject to such rules and regulations as in the reasonable judgment of Sublandlord are necessary for the proper operation of the Terminal.
12. Concessionaire acknowledges that all locks and similar devices on and to the Concessionaire Premises are to be keyed or otherwise within the control from or by a master key or other device within the possession and control of the Sublandlord. At no time during the Term, shall the Concessionaire have the right to place any locks or similar devices on or to any portion of the interior or exterior of the Concessionaire Premises

without each being capable of being opened by the master key or other controlling device of the Sublandlord. To the extent that the Concessionaire shall desire to install, within the Concessionaire Premises any combination or other form of locks, no such equipment may be installed without first obtaining the prior written consent and approval of the Sublandlord, and providing to Sublandlord the key, combination, or other means of opening same at any time.

13. Concessionaire's Maintenance Obligations.

- a) Concessionaire will maintain the Concessionaire Premises and every part thereof in good appearance, repair and safe condition. Concessionaire shall maintain and repair all leasehold improvements on the Concessionaire Premises and all furnishing, fixtures and equipment therein, whether installed by Concessionaire or by others, including repainting or redecorating as necessary and replacing or repairing worn carpet, tile, fixtures or furnishings. All such maintenance and repairs shall be of quality equal to or better than the original in materials and workmanship and all work, including paint colors, shall be subject to the prior written approval of both Sublandlord and the Port Authority.
- b) Concessionaire shall, without cost to Sublandlord, provide all janitorial services for the Concessionaire Premises. Concessionaire shall ensure that the Concessionaire Premises, and the public areas adjacent to the Concessionaire Premises, are kept free from all rubbish, filth and refuse.
- c) On or about each anniversary of the Commencement Date, representatives of Sublandlord and Concessionaire shall tour the Concessionaire Premises and jointly agree upon what, if any, routine refurbishment is required to maintain the Concessionaire Premise in first-class condition, and Concessionaire shall promptly undertake such refurbishment at its sole cost and expense. For purposes of these Terminal Rules, refurbishment shall mean the routine repainting or redecoration of public areas within the Concessionaire Premises, including the replacement or repair of worn carpet, tile, furniture, furnishings, fixtures or finishes.
- d) Concessionaire agrees to employ sufficient personnel, and provide necessary equipment to keep the Concessionaire Premises and all furniture, furnishings, fixtures and equipment clean, neat, safe, sanitary and in good working order and condition at all times pursuant to the maintenance requirements of these Terminal Rules.
- e) Sublandlord shall be the sole judge of the quality of maintenance. The Port Authority, Sublandlord, or their designees, may at any time, without notice, enter upon the Leased Premises to determine if satisfactory maintenance is being performed. If it is determined that said maintenance is not satisfactory, the Port Authority and/or Sublandlord shall so notify Concessionaire in writing. If said maintenance is not performed by Concessionaire within fifteen (15) days after receipt of written notice, British Airways or its designee thereafter shall have the right to enter upon the Leased Premises and perform the maintenance therefore,

and Concessionaire agrees to promptly reimburse British Airways for the cost thereof, plus fifteen percent (15%) for administrative overhead.

- f) The Sublandlord and the Port Authority and their respective agents shall have the right to enter the Concessionaire Premises for the purpose of making repairs, alterations, or additions which Sublandlord shall deem necessary and take all materials into and upon said Concessionaire Premises that may be required to make such repairs, improvements additions or alterations, without in any way being deemed or held guilty of an eviction of Concessionaire and the Rent reserved herein shall in no wise abate while said repairs, alterations or additions are being made. Concessionaire shall not be entitled to maintain a setoff or counterclaim for damages by reason of loss or interruption to the business of Concessionaire because of the prosecution of any such work.

14. Hours of Operation.

- a) Concessionaire shall ensure that all portions of the Concessionaire Premises are continuously and uninterruptedly open for business and provide all services and sales activities as required by this Agreement at such hours as may be established from time to time by Sublandlord, in its sole and absolute discretion (hereinafter referred to as "Store Hours"). Concessionaire hereby understands and agrees that the Store Hours may be seven (7) days per week, including local, state and federal holidays, twenty-four (24) hours per day.
- b) In the event of delayed flights within those portions of the Terminal in which any portion of the Concessionaire Premises are located, Concessionaire shall remain continuously open and provide all services and sales activities as required by the Agreement in any such Facility until said flights depart the gate or Sublandlord otherwise instructs, even if such period is beyond the current Store Hours for said portion of the Concessionaire Premises.
- c) If Sublandlord deems it necessary, on an emergency basis, to serve the public during other than Store Hours, Concessionaire shall remain continuously open and provide all services and sales activities in such portion of the Concessionaire Premises as required by Sublandlord during the emergency period.
- d) Concessionaire shall prominently post in each of the Facilities, in an area visible to customers, the current listing of the Facility's hours of operation.

15. Concessionaire shall be required to respond to any complaints in writing within 10 days of receipt, with a good faith effort to explain, resolve or rectify the corresponding problem. Concessionaire shall provide Sublandlord, or its designee, with a copy of any complaint received the same day it is received by the Concessionaire and shall provide Sublandlord with a copy of the written response the same day it is sent. Complaints received by Sublandlord shall be forwarded to the Concessionaire, who shall respond utilizing the above procedure. Concessionaire shall be required to implement and utilize a customer comment system (cards, telephone, web, etc.). All such completed comments and

Concessionaire's summary reports shall be provided to the Sublandlord within 10 days of receipt and/or completion.

16. Sublandlord reserves the right, to make such other and further reasonable rules and regulations as in its judgment may, from time to time, be needful for the safety, care and cleanliness of the Premises, and for the preservation of good order therein, and any such other further rules and regulations shall be binding upon the parties with the same force and effect as if they had been inserted herein at the time of the execution hereof.

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**Exhibit I**  
**Permitted Operations and Branded Concepts**

1. Concessionaire is permitted to offer food and beverage concessions, including restaurants, public bars offering alcoholic and non alcoholic products. At all times this provision shall be subject to the limitations set out in section 5.1 of the Agreement.

2. Establishment, Review and Substitution of Branded Concepts

Concessionaire will use its best efforts to establish the designated brands to be placed at the locations as follows:

BRANDS	SPACE
Todd English	F2
Wolfgang Puck	F3
Balducci's Express	F4
Starbucks	F6
Zoom Interactive Cafe	F1
Saphire / Balducci's To Go	F9
Wolfgang Puck To Go	F10
Starbucks	A01

Such brands may not be substituted or moved between locations without Sublandlord's express written consent. Concessionaire agrees that it has or will obtain all necessary rights, titles and licenses to permit such designated brands to be installed at the locations herein and provide Sublandlord with proof of such as requested. Concessionaire agrees that it will retain, to the extent reasonably possible, the ability both to retain such brands for the duration of this Agreement and to replace such brands as is necessary.

Either party may, in the reasonable exercise of its business judgment, request a review of the performance of any of the locations set forth herein. The basis for such review may be either or both of a location's financial performance or its suitability for the designated location or the Terminal in general. In the event Sublandlord and Concessionaire determine after such review that a particular brand is performing in a materially unsatisfactory fashion or is otherwise no longer appropriate for the Terminal, Sublandlord and Concessionaire will enter into good faith negotiations to consider a replacement brand. The reimbursement for unamortized capital and the capital investment required for such brand substitution and which party will be responsible therefore will be a component of such good faith negotiations.

**Exhibit J**  
**Staffing Schedule**