FOI #15008

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June 3, 2014

THE PORT AUTHORITY OF NY NJ
LAW DEPARTMENT
2014 JUN 16 P 12: 14
CLAIMS ADMINISTRATION &
RISK MANAGEMENT

The Port Authority of New York and New Jersey
Office of the Secretary
225 Park Avenue South, 15th Floor
New York, New York 10003

Re: Carol A. Insardi
Date of Accident: 2/24/14
Our File: 16580PSPLN

Dear Sir/Madam:

The undersigned represents Carol Insardi in connection with a claim for personal injuries that arose on February 24, 2014. A Notice of Claim is being filed with the Port Authority of New York and New Jersey (copy enclosed).

This letter is being sent under the Freedom of Information Act to request documents relative to the ownership, operation and maintenance of the airport. Specifically, my client fell in the employee parking lot of the US Postal Service located at Building 250 at JFK International Airport. Her accident occurred as a result of *inter alia*, the lack of lighting in the employee parking lot at that location.

Accordingly, this request under the Freedom of Information Act is for documents pertaining to the entity or entities that had the obligation to maintain, operate and/or repair the lights and lighting at the aforesaid location on or about February 24, 2014. Specifically, if there is a lease agreement between the Port Authority of New York and New Jersey and the United States Postal Service that addresses these responsibilities, I would specifically request a copy of said lease agreement.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

BAXTER SMITH & SHAPIRO, P.C.

By: Joseph M. Guzzardo

JMG/si

06-17-14A10:51 RCVD

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

July 3, 2014

Mr. Joseph M. Guzzardo
Baxter Smith & Shapiro, P.C.
99 North Broadway
Hicksville, NY 11801

Re: Freedom of Information Reference No. 15008

Dear Mr. Guzzardo:

This is in response to your June 3, 2014 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of "documents pertaining to the entity or entities that had the obligation to maintain, operate and/or repair the lights and lighting" at the employee parking lot of the US Postal Service located at Building 250 at JFK International Airport on or about February 24, 2014… Specifically, if there is a lease agreement between the Port Authority of New York and New Jersey and the United States Postal Service that addresses these responsibilities".

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/15008-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 (2.a.) and (4) of the Code.

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

Very truly yours,

Daniel D. Duffy
FOI Administrator

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

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

John F. Kennedy International Airport
Lease No. AYD-811

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (the "Agreement"), made as of the 1st day of July, 2008, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (the "Port Authority"), a body corporate and politic, established by Compact between the States of New Jersey and New York with the consent of the Congress of the United States of America, and having an office at 225 Park Avenue South, New York, New York 10003, and **THE UNITED STATES POSTAL SERVICE** (the "Lessee"), an independent establishment of the executive branch of the government of the United States established pursuant to the provisions of the Postal Reorganization Act of August 12, 1970 and having an office and place of business at Two Hudson Place, 5th floor, Hoboken, New Jersey 07030-55, whose representative is ~~Nicolas Menchise.~~ Paul Senk.

WITNESSETH, That:

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

Section 1. Letting

(a) The Port Authority hereby lets to the Lessee and the Lessee hereby hires and takes from the Port Authority at John F. Kennedy International Airport in the Borough of Queens, City and State of New York (the "Airport"), the following premises: (i) Building No. 250 at the Airport as shown in solid outline with and shaded stipple and noted "BLDG 250 USPS" (hereinafter referred to as "Area A" or the "United States Postal Service Building" or "USPSB") on the sketch attached hereto, hereby made a part hereof and marked "Exhibit "A" (1 of 2)"; and (ii) the open area as shown in broken line and stipple (hereinafter referred to as "Area B") and with bearing and coordinates on the sketch attached hereto, hereby made a part hereof and marked "Exhibit A (1 of 2)" and "Exhibit A (2 of 2)", together with the building, structures, improvements and other property of the Port Authority located therein, thereon or thereunder, and all structures, improvements, additions, buildings and facilities located, constructed or installed, or which may be located, constructed or installed therein, thereon or thereunder, all of the foregoing being hereinafter collectively called the "premises".

(b) Except to the extent required for the performance of any of the obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights

whatsoever in the air space above the premises above the heights of the structures thereon at the commencement of the term of the letting.

(c) The parties acknowledge that the premises constitute non-residential real property.

Section 2. Condition of the Premises

(a) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the premises or the suitability thereof for the operations permitted on the premises by this Agreement. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and has found them to be in good order and repair and determined them to be suitable for the Lessee's operations hereunder and to assume all responsibility for any and all risks, cost and expenses of any kind whatsoever caused by, arising out of or in connection with, the condition of the said areas whether any aspect of such condition existed prior to, on or after the effective date of the letting of the premises hereunder, including, without limitation, all Environmental Requirements and Environmental Damages, and to indemnify and hold harmless the Port Authority for all such risks, requirements, costs and expenses. Without limiting any obligation of the Lessee to commence operations hereunder at the time and in the manner stated elsewhere in this Agreement, the Lessee agrees that no portion of the premises will be used initially or at any time during the letting which is in a condition unsafe or improper for the conduct of the Lessee's operations hereunder so that there is possibility of injury or damage to life or property and the Lessee further agrees that before any use it will immediately correct any such unsafe or improper condition. It is hereby understood and agreed that whenever reference is made in this Lease to the condition of the premises as of the commencement of the term thereof, the same shall be deemed to mean the condition of the premises as of the date of this Agreement, and as to the improvements made and the alternation work performed during the term of the Agreement in the condition existing after the completion of the same.

(b) The Port Authority shall not be liable to the Lessee, or to any person, for injury or death to any person or persons whomsoever, or damage to any property whatsoever at any time in the premises or elsewhere at the Facility, including but not limited to any such injury, death or damage from falling material, water, rain, hail, snow, gas, steam, or electricity, whether the same may leak into, or fall, issue, or flow from any part of the Facility, or from any other place or quarter.

Section 3 Term

(a) The term of the letting shall commence on July 1, 2008, (the "Commencement Date"), and shall, unless sooner terminated or unless extended, expire at 11:59 o'clock p.m. on June 30, 2018.

(b) The Lessee recognizes and understands that the occurrence of the Commencement Date shall not be deemed to authorize the Lessee to commence any work in the premises unless the Port Authority's final approval of the Alteration Application and plans and specifications has been obtained by the Lessee.

Section 4. Rental

(a) As used herein, "Rental Payment Start Date" shall mean the Commencement Date. The Lessee recognizes that its obligations to pay basic rental shall commence on the Rental Payment Start Date established pursuant to this subparagraph whether or not the Lessee is conducting public operations in the premises on such date.

(b) Rental

(i) The Lessee shall pay to the Port Authority rental for the premises as follows:

(1) for the period from July 1, 2008 through June 30, 2009, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(2) for the period from July 1, 2009 through June 30, 2010, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(3) for the period from July 1, 2010 through June 30, 2011, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(4) for the period from July 1, 2011 through June 30, 2012, both dates inclusive, at the rate of Exemption (2.a.)

(5) for the period from July 1, 2012 through June 30, 2013, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(6) for the period from July 1, 2013 through June 30, 2014, both dates inclusive, at the rate of per annum;

(7) for the period from July 1, 2014 through June 30, 2015, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(8) for the period from July 1, 2015 through June 30, 2016, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(9) for the period from July 1, 2016 though June 30, 2017, both dates inclusive, at the rate of Exemption (2.a.) per annum; and

(10) for the period from July 1, 2017 through June 30, 2018, both dates inclusive, at the rate of Exemption (2.a.) per annum.

(c) Time of Payments

The Lessee shall pay rental in advance in equal monthly installments commencing on the Rental Payment Start Date and on the first day of each and every calendar month thereafter until the expiration of the term of the letting hereunder. If any installment of rental payable hereunder shall be for less than a full calendar month, then the rental payment for the portion of the month for which said payment is due shall be the monthly installment prorated on a daily basis using the actual number of days in the said month.

(d) Abatement

(i) In the event that the Lessee shall at any time by the provisions of this Agreement become entitled to an abatement of rental, the rental set forth in paragraph (b) of this Section or as adjusted in accordance with the provisions of paragraph (c) hereof, as the case may be, shall be abated for the period the abatement is in effect by the same percentage that the area of the part of the premises the use of which is denied to the Lessee is of the total area of the premises.

(ii) For the purposes of abatement, the measurement of floor space in enclosed areas of the premises shall be computed (i) from the inside plaster or other surface of outer walls of the structure of which the premises are a part; (ii) from the outer surface of walls or partitions separating the enclosed areas from public areas; and (iii) from the center of walls or partitions separating the enclosed areas and other areas exclusively occupied. No deduction will be made for columns, partitions, pilasters or projections. Permanent vents, pipe shafts, meter closets, flues, stacks and any vertical shafts have the same relation to the space measured as do outer building walls.

Section 5. Use of Premises

The Lessee, in connection with providing postal services, may use the premises for the following purposes and for activities reasonably required for such purposes and for such purposes and activities only:

For the receipt, distribution and dispatch of mail, the conduct of postal business as an Airport Mail Facility, and as an airport retail postal office, and for operation of a cafeteria for over-the-counter sales to officers and employees of the Lessee and their families and to occasional business guests of such officers and employees, of food, beverages, and other merchandise normally sold in such establishments at no profit to the Lessee.

Section 6. Compliance with Governmental Requirements

(a) The Lessee shall comply with all laws and ordinances and governmental rules, regulations and orders now or at any time during the term of this Agreement which as a matter of law are applicable to or which affect the operations of the Lessee at the premises hereunder, and the Lessee shall, in accordance with and subject to the provisions of Section 29 hereof, make any and all non-structural improvements, alterations or repairs of the premises that may be required at any time hereafter by any such present or future law, rule, regulation, requirement, order or direction.

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

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

(d) Since the Port Authority has agreed in the Basic Lease to conform to the enactments, ordinances, resolutions and regulations of the City of New York and its various departments, boards and bureaus in regard to the construction and maintenance of buildings and structures and in regard to health and fire protection which would be applicable if the Port Authority were a private corporation to the extent that the Port Authority finds it practicable so to do, the Lessee shall comply with all such enactments, ordinances, resolutions and regulations which would be applicable to its operations hereunder if the Port Authority were a private corporation, except in cases where the Port Authority either notifies the Lessee that it need not comply with or directs it not to comply with any such enactments, ordinances, resolutions or regulations which are applicable only because of the Port Authority's agreement in the Basic Lease. The Lessee shall, for the Port Authority's information, deliver to the Port Authority promptly after receipt of any notice, warning, summons, or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation a true copy of the same. Any direction by the Port Authority to the Lessee not to comply with any such enactment, ordinance, resolution or regulation shall be given only pursuant to a resolution duly adopted by the Board of Commissioners of the Port Authority or by an authorized committee of its Board and if any such direction is given by the Port Authority to the Lessee, the Port Authority, to the extent that it may lawfully do so, shall indemnify and hold the Lessee harmless from and against all claims, actions, damages, liabilities, fines, penalties, costs and expenses suffered or incurred by the Lessee as a result of non-compliance with such enactment, ordinance, resolution or regulation.

In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the Lessee, acting in good faith, commenced after such delivery to the Port Authority but prior to the receipt by the Lessee of a written direction from the Port Authority not

to comply (and thereafter discontinued) such compliance shall not constitute a breach of this Agreement, although the Port Authority thereafter directs the Lessee not to comply. Nothing herein contained shall release or discharge the Lessee from compliance with any other provision hereof respecting governmental requirements.

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

Section 7. Rules and Regulations

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

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

Section 8. Various Obligations of the Lessee

(a) The Lessee shall conduct its operations hereunder in an orderly and proper manner, so as not to unreasonably annoy, disturb or be offensive to others at or off the Airport. The Lessee shall take all reasonable measures to eliminate vibrations originating on the premises tending to damage any equipment, structure, building or portion of a building which is on the premises, or is a part thereof, or is located elsewhere on or off the Airport.

(b) The Lessee shall use its best efforts to conduct all its operations at the premises in a safe and careful manner.

(c) The Port Authority shall have the right to object to the Lessee regarding the conduct and demeanor of the employees of the Lessee whereupon the Lessee will take all steps reasonably necessary to remove the cause of the objection. If requested by the Port Authority the Lessee shall supply and shall require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the General Manager of the Airport.

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

necessary to direct the movement of vehicular traffic within the premises to prevent traffic congestion on the public roadways leading to the premises.

(e) The Lessee shall remove from the Airport or otherwise dispose of in a manner approved by the General Manager of the Airport all garbage, debris, and other waste materials (whether solid or liquid) arising out of its occupancy of the premises or out of its operations. Any such which may be temporarily stored in the open, shall be kept in suitable garbage and waste receptacles, the same to be made of metal or other suitable material, and equipped with tight fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein. The Lessee shall use extreme care when effecting removal of all such waste materials, and shall effect such removal at such times and by such means as first approved by the Port Authority. No such garbage, debris, or other waste materials shall be or be permitted to be thrown, discharged or deposited into or upon the waters at or bounding the Airport.

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

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

(h) In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the letting hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the premises or the operations of the Lessee under this Agreement (the foregoing not to be construed as a submission by the Port Authority to the application to itself of such requirements or any of them), the Lessee agrees that it shall exercise the highest degree of safety and care and shall conduct all its operations under this Agreement and shall operate, use and maintain the premises in accordance with the highest standards and in such manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the premises by the Lessee and from the operations of the Lessee under this Agreement.

The obligations assumed by the Lessee under this subparagraph shall continue throughout the term of this Agreement and shall not be limited, affected, impaired or in any manner modified by the fact that the Port Authority shall have approved any construction application and supporting plans, specifications and contracts covering construction work and notwithstanding the incorporation therein of the Port Authority's recommendations or requirements and notwithstanding that the Port Authority may have at any time during the term

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

(i) The Lessee shall furnish United States Postal Service Police service at locations approved by the Port Authority or such comparable means as approved by the Port Authority on the premises for the prevention of access to aircraft taxiways, runways, public ramp and apron areas and aircraft parking and storage areas by all persons and vehicles not authorized by the Port Authority to enter upon said areas. Such prevention shall be accomplished on a twenty-four (24) hour, seven-day week basis.

Section 9. Prohibited Acts

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

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

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

(d) The Lessee shall not do or permit to be done any act or thing upon the premises (1) which will invalidate or conflict with any fire insurance, extended coverage or rental insurance policies covering the premises or any part thereof, or the Airport, or any part thereof, or (2) which in the opinion of the Port Authority, may constitute an extra-hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by Section 4 of this Agreement. The Lessee shall promptly observe, comply with and execute the provisions of any and all applicable present and future rules and regulations, requirements, orders and directions of The National Board of Fire Underwriters and the Fire Rating Organization of New York, or of any other board or organization exercising or which may exercise similar functions, which may pertain or apply to the operations of the Lessee on the premises, and the Lessee shall, subject to and in accordance with the provisions of Section 29 hereof, make any and all non-structural improvements, alterations or repairs of the premises required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the Lessee to comply with the provisions of this subparagraph any fire insurance rate, extended coverage or rental insurance rate on the premises or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it would be if the premises were properly used for the purposes permitted by Section 5 of the Lease, then the Lessee shall pay to the Port Authority, as an item of additional rental, that part of all insurance premiums paid by the Port Authority which shall have been charged because of such violation or failure by the Lessee.

(e) The Lessee shall not dispose of or permit any one to dispose of any waste material (whether liquid or solid) by means of the toilets, manholes, sanitary sewers or storm sewers in the premises or on the Airport except after treatment in installations or equipment included in plans and specifications submitted to and approved by the Port Authority.

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

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

(h) Except as provided in Section 5 and in paragraph (i) hereof the Lessee shall not install, maintain or operate, or permit the installation, maintenance or operation on the premises of any vending machine or device designed to dispense or sell food, beverages, tobacco, tobacco products or merchandise of any kind whether or not included in the above categories, or of any restaurant, cafeteria, kitchen, stand or other establishment of any type for the preparation or dispensing of food, beverages, tobacco, tobacco products, or merchandise of any kind whether or not included in the above categories, or of any equipment or devices for the furnishing to the public of service of any kind including therein, without limitation thereto, telephone pay stations. The Port Authority, by itself or by contractors, lessees or permittees, shall have the exclusive right to install, maintain and receive the revenues from all coin-operated or other vending machines or devices installed by it and operated on the premises for the sale of merchandise of all types or for the rendering of services, provided, however, that no such machine or device shall be installed except upon the request of the Lessee. If the Port Authority does not install and maintain any such machine that the Lessee may reasonably request, the Lessee shall have the right to do so, provided, however, (1) that the Lessee shall pay or cause to be paid to the Port Authority each month for each machine upon the same basis for the preceding month as any concessionaire, permittee or licensee of the Port Authority then operating machines at the Airport for the sale of similar merchandise or the rendering of similar services, and (2) that in the event the Lessee exercises such right the Port Authority, at any time thereafter, may substitute for the Lessee's machines other machines selling similar merchandise or services operated by the Port Authority or by its licensee, permittee or concessionaire, and thereupon the Lessee shall remove its machines.

(i) The Lessee has represented to the Port Authority that it has existing commitments to organizations of its employees to permit such organizations to install and operate vending machines and devices at the Lessee's installations designated to dispense and sell food and beverages with the profit from such dispensing and sales to be realized solely by and to be solely for the benefit of such employee organizations. The Port Authority is willing to grant permission for such operation on the premises by such employee organizations or by the Lessee on behalf of such employee organizations for so long as such commitments continue. The Lessee shall submit to the Port Authority prior to the exercise of the permission hereunder the name of its

employee organization or organizations which will be permitted to install or for which the lessee will install such machines, their location on the premises and types of merchandise to be dispensed or sold. If the Lessee shall operate such vending machines and devices for such party it shall keep such records and submit such reports of its operations hereunder to the Port Authority as the Port Authority may from time to time direct. The Lessee has also represented to the Port Authority that it has requirements imposed pursuant to law to authorize the operation of blind operators (and under certain circumstances as imposed by law to assign vending machine income in connection therewith) for the sale at retail to employees of the Lessee of newspapers and magazines, tobacco and tobacco products, candy, chewing gum, and paper-bound books with the profit from such sales to be solely for the benefit of such blind operators. The Port Authority is willing to grant permission for such operation on the premises for so long as such requirements continue. The Lessee shall submit to the Port Authority prior to the exercise of the permission hereunder the name of the blind operator or operators which will be permitted to install newsstands and operate on the premises. The Lessee shall request such operators to keep such business records and submit such reports of their operations at the Airport to the Port Authority, as the Port Authority may from time to time request. The use of the premises for the purposes stated in this paragraph (i) and in accordance therewith shall be without payment of fees to the Port Authority.

Section 10. Care, Maintenance, Rebuilding and Repair by the Lessee

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

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

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

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

(4) Provide and maintain all obstruction lights and similar devices, and provide and maintain all fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, ordinance, resolution or regulation of the type and nature described in Section 6 and 7 of this Agreement;

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

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

(7) Be responsible for appropriate lighting of and for the maintenance and repair of all access roadways and circulation and pedestrian areas located on the premises.

(b) In the event the Lessee fails to commence so to maintain, clean, repair, rebuild, replace or paint within a period of twenty (20) days after notice from the Port Authority so to do if the said notice specifies that the required work to be accomplished by the Lessee includes maintenance and/or repair other than preventive maintenance; or within a period of one hundred eighty (180) days if the said notice specified that the work to be accomplished by the Lessee involves preventative maintenance only, or fails diligently to continue to completion the repair, replacement, rebuilding or painting of all of the premises required to be repaired, replaced, rebuilt or painted by the Lessee under the terms of this Agreement, the Port Authority may, at its option, and upon the failure of the Lessee to perform the same within ninety (90) days after further written notice from the Port Authority, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the premises included in the said notice, and the cost thereof shall be payable by the Lessee upon demand.

Section 11. Damage to or Destruction of Premises

(a) Removal Of Debris. If the premises, or any part thereof shall be damaged by fire, the elements, the public enemy or other casualty, the Lessee shall promptly remove all debris resulting from such damage from the premises.

(b) Minor Damage. If the premises, or any part thereof, shall be damaged by fire, the elements, the public enemy or other casualty but not rendered untenantable or unusable for a period of ninety (90) days, the premises shall be repaired with due diligence in accordance with the plans and specifications for the premises as they existed prior to such damage by and at the expense of the Lessee.

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

Section 14. Obstruction Lights

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

Section 15. Rights of Entry Reserved

(a) The Port Authority, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times, and upon reasonable prior notice to the Lessee, to enter upon the premises for the purpose of inspecting the same, for observing the performance by the Lessee of its obligations under this Agreement, and for the doing of any act or thing which the Port Authority may be obligated or have the right to do under this Agreement, or otherwise.

(b) Without limiting the generality of the foregoing, the Port Authority, by its officers, employees, agents representatives, and contractors, and furnishers of utilities and other services, shall have the right, for its own benefit, for the benefit of the Lessee, or for the benefit of others than the Lessee at the Airport, to maintain existing and future sewerage, utility, mechanical, electrical and other systems and to enter upon the premises at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Port Authority, be deemed necessary or advisable and, from time to time, to construct or install over, in or under the premises new systems or parts thereof, and to use the premises for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction (i) the Port Authority shall not unreasonably interfere with the use and occupancy of the premises by the Lessee and (ii) the Port Authority shall, at its cost and expense, be responsible for the repair or replacement of any property of the Lessee damaged by the affirmative acts of the Port Authority, its employees, agents and representatives.

(c) In the event that any property of the Lessee shall obstruct the access of the Port Authority, its employees, agents or contractors to any of the existing or future utility, mechanical, electrical and other systems and thus shall interfere with the inspection, maintenance or repair of any such system, the Lessee shall move such property (except that the Lessee shall have no obligation hereunder to move the USPSB), as directed by the Port Authority, in order that access may be had to the system or part thereof for its inspection, maintenance or repair, and, if the Lessee shall fail to so move such property after direction from the Port Authority to do so, the Port Authority may move it and the Lessee hereby agrees to pay the cost of such moving upon demand.

(d) Nothing in this Section shall or shall be construed to impose upon the Port Authority any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do. The Lessee is and shall be in exclusive control and possession of the premises and the Port Authority shall not in

any event be liable for any injury or damage to any property or to any person happening on or about the premises nor for any injury or damage to the premises nor to any property of the Lessee or of any other person located therein or thereon (other than those occasioned by the affirmative acts of the Port Authority, its employees, agents and representatives).

(e) At any time and from time to time during ordinary business hours within the six (6) months next preceding the expiration of the letting, the Port Authority, for and by its agents and employees, whether or not accompanied by prospective lessees, occupiers or users of the premises, shall have the right, upon reasonable prior notice to the Lessee, to enter thereon for the purpose of exhibiting and viewing all parts of the same, and during such six-month period the Port Authority may place and maintain on the premises "To Let" signs, which signs the Lessee shall permit to remain without molestation. The Port Authority shall give the Lessee twenty-four (24) hours' notice of such entry with respect to designated security areas, if any in the USPSB.

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

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

Section 16. Assignment and Sublease

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

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

(c) Notwithstanding the provisions of paragraphs (a) and (b) hereof, the Lessee may assign this Agreement in its entirety or sublet the entire premises without Port Authority consent to any Scheduled Aircraft Operator which Scheduled Aircraft Operator shall use the premises only for air cargo purposes and activities, provided that without releasing the Lessee such Scheduled Aircraft Operator executes and delivers to the Port Authority an instrument in a form satisfactory to the Port Authority assuming the obligations of the Lessee as if it were the original tenant hereunder, with appropriate revisions in Section 5 hereof and with appropriate revisions in and additions to certain provisions of the Lease, including but not limited to those covering law compliance, rules and regulations, condemnation, insurance covering the premises, vending machines, termination by the Port Authority, and assignment and subletting, which as the of the date of this Agreement are incorporated in ground leases at the Airport with airline tenants wherein the tenant constructs the structures covered by the said lease, and provided, that there shall be no such assignment or subletting to any Scheduled Aircraft Operator with the Port Authority is then discussing the leasing of space for air cargo operations elsewhere at the Airport.

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

(e) Neither the rights granted under paragraph (c) nor any consent granted by the Port Authority to any assignment or subletting pursuant to paragraph (a) and (b) hereof shall not be construed or deemed to release, relieve or discharge any succeeding assignee, successor or transferee of the Lessee or any other person claiming any right, title or interest in this Agreement from the requirement of obtaining the prior written consent of the Port Authority in the event it wishes to sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting hereunder or any part thereof; and such assignee, successor or transferee or other person claiming any right, title or interest in this Agreement shall not sell, convey, transfer, mortgage, pledge, sublet or assign this Agreement or any part thereof, or any rights created thereby or the letting thereunder or any part thereof without such prior written consent of the Port Authority.

(e) The Lessee shall not use or permit any person to use the premises or any portion thereof for any purpose other than the purposes stated in Section 5 hereof. Except as provided in this Agreement or otherwise permitted in writing by the Port Authority, the Lessee shall not permit the premises to be used or occupied by any other than its own officers, employees, customers, contractors and representatives and United States Customs and Agricultural officials engaged on the premises to perform their proper functions in connection with the premises.

Section 17. Termination by the Port Authority

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

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

(2) The Lessee shall fail duly and punctually to pay the rentals or to make any other payment required hereunder when due to the Port Authority and shall continue in its failure to any rentals or to make any other payments required hereunder for a period of ninety (90) days after receipt of notice by it from the Port Authority to make such payments; or

(3) The Lessee shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed, or

observed, within ninety (90) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligation requires activity over a period of time, and the Lessee shall have commenced to perform whatever may be required for fulfillment within ninety (90) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority may upon twenty (20) days' notice terminate the rights of the Lessee hereunder and the letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

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

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

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

Section 18. Waiver of Redemption

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

Section 19. Survival of the Obligations of the Lessee

(a) In the event that the letting shall have been terminated in accordance with a notice of termination as provided in Section 17 hereof, or the interest of the Lessee cancelled pursuant thereto, or in the event that the Port Authority has re-entered, regained or resumed possession of the premises, all the obligations of the Lessee under this Agreement shall survive such termination or cancellation, or re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of the letting under this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Port Authority to the same extent, at the same time or times and in the same manner as if no termination, cancellation, re-entry, regaining or resumption of possession had taken place. The Port Authority may

maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term.

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

(1) The amount of the total of all annual rentals less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first day of the month in which the termination is effective shall be prorated for the part of the month the letting remains in effect on the basis of the actual number of days in said month, and

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

Section 20. Reletting by the Port Authority

The Port Authority upon termination or cancellation pursuant to Section 17 hereof, or upon any re-entry, regaining or resumption of possession, may occupy the premises or may relet the premises, and shall have the right to permit any person, firm or corporation to enter upon the premises and use the same. Such reletting may be of part only of the premises or a part thereof together with other space, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement. The Port Authority shall also, upon termination or cancellation pursuant to the said Section 17, or upon its re-entry, regaining or resumption of possession, have the right to repair or to make structural or other changes in the premises, including changes which alter the character of the premises and the suitability thereof for the purpose of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder. In the event either of any reletting or of any actual use and occupancy by the Port Authority (the mere right of the Port Authority to use and occupy not being sufficient however) there shall be credited to the account of the Lessee against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any lessee, licensee, permittee or other occupier in connection with the use of the said premises or portion thereof during the balance of the letting as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the premises as the Port Authority may during such period actually use and occupy, all expenses, costs and disbursements incurred or paid by the Port Authority in connection therewith. No such reletting shall be or be construed to be an acceptance of a surrender.

Section 21. Remedies to be Non-Exclusive

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the

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

Section 22. Surrender

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

Section 23. Acceptance of Surrender of Lease

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

Section 24. Effect of the Basic Lease

(a) The Lessee acknowledges that it has received, and is familiar with the contents of, a copy of the Amended and Restated Agreement of Lease of the Municipal Air Terminals between The City of New York, as Landlord, and The Port Authority of New York and New Jersey, as Tenant, dated as of November 24, 2004 (the "Basic Lease").

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

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

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

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

(iv) With respect ~~tot his~~ to this Agreement, the Lessee shall indemnify the City with respect to all matters described in Section 31 of the Basic Lease;

(v) The Lessee shall not use the premises hereunder for any use other than as permitted under the Basic Lease;

(vi) The Lessee shall use, operate and maintain the premises hereunder in a manner consistent with the Port Authority's obligations under Section 28 of the Basic Lease;

(vii) The failure of the Lessee to comply with the forgoing provisions shall be an event of default under this Agreement, which, after the giving of reasonable notice, shall provide the Port Authority with the right to terminate this Agreement and exercise any other rights that the Port Authority may have as the landlord hereunder; and

(viii) The City shall be named as an additional insured or loss payee, as applicable, under each policy of insurance procured by the Lessee pursuant to this Agreement, or, if applicable, as a beneficiary under the Federal Tort Claims Act, 39 U.S.C. Section 409 (c).

Section 25. Removal of Property

All personal property (including trade fixtures) removable without material damage to the premises, which are installed by the Lessee in or on the premises leased to the Lessee pursuant to this Agreement, shall be deemed to be and remain the property of the Lessee. All such property may at the Lessee's option be removed by the Lessee from the premises at any time during the term of this Agreement and shall, unless otherwise agreed in writing by the parties, be removed by the Lessee at or before the expiration or other termination of the term of this Agreement. Any such property remaining on the premises thereafter shall be deemed to be abandoned by the Lessee.

Section 26. Brokerage

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

Section 27. Limitation of Rights and Privileges Granted

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

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

(c) The Lessee acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the condition of the premises or the suitability thereof for the operations permitted on the premises

by this Agreement. The Lessee, prior to the execution of this Agreement, has thoroughly examined the premises and determined them to be suitable for the Lessee's operations hereunder and the Lessee shall take the premises in the condition they are in as of the commencement of the term of the letting hereunder.

Section 28 Notices

Except where expressly required or permitted herein to be oral, all notices, directions, requests, consents and approvals required to be given to or by either party shall be in writing, and all such notices and requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by certified or registered mail. Said designated officer or representative of the Port Authority and the Lessee and their respective officers shall be as set forth in this Agreement. The Lessee shall from time to time designate in writing an office within the Port of New York District and an officer or representative whose regular place of business is at such office upon whom notices and requests may be served. Until further notice, the Lessee designates its representative named on the first page of this Agreement as its representative upon whom notices and requests may be served and its address given on the first page of this Agreement as its office where notices and request may be served. The Port Authority hereby designates its Executive Director, as its representative upon whom notices and requests may be served, and its office at 225 Park Avenue South, New York, New York 10003. If mailed, the notices herein required to be served shall be deemed effective and served as of the date of the certified or registered mailing thereof.

Section 29. Construction by the Lessee

Except as expressly provided herein, the Lessee shall not erect any structures, make any improvements or do any construction work on the premises or alter, modify, or make additions or improvements or repairs to or replacements of any structure now existing or built at any time during the letting, or install any fixture (other than trade fixtures, removable without material damage to the freehold, any such damage to be immediately repaired by the Lessee) without the prior written approval of the Port Authority and in the event any construction, improvement, alteration, modification, repair, replacement or addition, is made without such approval, then upon reasonable notice so to do, the Lessee will remove the same, or at the option of the Port Authority cause the same to be changed to the satisfaction of the Port Authority. In case of any failure on the part of the Lessee to comply with such notice, the Port Authority may effect the removal or change and the Lessee shall pay the cost thereof to the Port Authority.

Section 30. Place of Payments

All payments required of the Lessee by this Agreement shall be made to The Port Authority of New York and New Jersey, P. O. Box 9500-1517, Philadelphia, Pennsylvania 19195-1517, or made via the following wire transfer directions: Name of bank: Commerce Bank, Bank ABA number: 031201360, Account number: Exemption (1) or to such other officer or address as may be substituted therefor by notice to the Lessee from time to time.

Section 31. Construction and Application of Terms

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

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

Section 32. Non-liability of Individuals

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

Section 33. Quiet Enjoyment

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

Section 34. Utility Lines

The Port Authority, shall, if and to the extent required, bring appropriate roadway access stubs and service lines for the supply of cold water, electric power, telephone (limited to three (3) conduits) and sanitary and storm sewers to such locations at the perimeter of the premises, or to other locations off the premises, as the Port Authority shall determine. The Lessee at its sole cost and expense is hereby obligated to tie its utility lines and roadways into such locations at or near the perimeter of the premises where such utility service lines and roadway access stubs will be brought by the Port Authority hereunder. The Port Authority shall have no obligation to bring any service lines or roadway access stubs to any location prior to receiving certification from a responsible officer of the Lessee that all of the construction work has been completed and that the Lessee is ready to tie its utility lines and circulation areas into the service lines and roadway access stubs to be furnish by the Port Authority.

Section 35. Force Majeure

The Port Authority shall not be liable for any failure, delay or interruption in performing its obligations hereunder due to causes or conditions beyond its control (and without the fault or negligence of the Port Authority) by which is meant act of God, the elements, weather conditions, tides earthquakes, fire, acts of governmental authority, war, shortage of labor or materials, acts of third parties for which the Port Authority is not responsible, injunctions, labor troubles or disputes of every kind (including all those affecting the Port Authority, its contractors, suppliers or subcontractors) or any other condition or circumstance, whether similar

to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances) which is beyond the control of the Port Authority (and without the fault or negligence of the Port Authority) or which could not be prevented or remedied by reasonable effort and at reasonable expense.

Section 36. Ingress and Egress

The Lessee, its officers, employees, passengers, patrons, invitees, contractors, suppliers of material and furnishers of service, shall have the right of ingress and egress between the premises and the city streets or public way outside the Airport over such highways at the Airport as may be made available from time to time by the Port Authority for use by the public. Such right shall be exercised in common with others having rights of passage within the airport. The use of any such way shall be subject to the rules and regulations of the Port Authority which are now in effect or which may hereafter be promulgated for the sage and efficient operation of the Airport. In the promulgation of such rules and regulations, the Port Authority agrees to give due consideration to the postal operations to be conducted by the Lessee at the airport so that they will not prevent such operations. The Port Authority may at any time, temporarily or permanently close or consent to or request the closing of, any such way or any other area at, in or near the Airport presently or hereafter used as such, so long as a reasonably equivalent means of ingress and egress remains available to the Lessee. The Lessee hereby releases and discharges the Port Authority, and all municipalities and other governmental authorities, and their respective successors and assigns of and from any and all claims, demands or causes of action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any way or other area, whether within or outside the Airport provided a reasonably equivalent means or access is available. The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the premises or in any streets, ways and walks near the premises.

Section 37. Non-Discrimination

(a) Without limiting the generality of any of the provisions of this Agreement, the Lessee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, creed, color, sex or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the premises by it, (2) that in the construction of any improvements on, over, or under the premises and furnishing of services thereon by it, no person on the ground of race, creed, color, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Lessee's operations at the Airport, whether by reason of agreement between the Port Authority and the United States Government or otherwise.

(b) The Lessee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any person or persons, other than the Lessee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such covenant. Nothing herein shall or shall be deemed to grant to the Lessee the right to make any such agreement or concession

(c) The Lessee's non-compliance with the provisions of this paragraph shall constitute a material breach of this Agreement. In the event of the breach by the Lessee of any of the above non-discrimination provisions the Port Authority may take appropriate action to enforce compliance; or in the event such noncompliance shall continue for a period of twenty (20) days after receipt of written notice from the Port Authority, the Port Authority shall have the right to terminate the Agreement and the letting hereunder with the same force and effect as a termination under Section 17 of this Agreement providing for termination for default by the Lessee in the performance or observance of any other term or provisions of this Agreement; or may pursue such other remedies as may be provided by law; and as to any or all the foregoing, the Port Authority may take such action as the United States may direct.

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

Section 38. Limitation of Benefit

No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Lease or to any benefit to arise therefrom. Nothing, however, herein contained shall be construed to extend to any incorporated company, if the Lease be for the general benefit of such corporation or company.

Section 39. Port Authority Non-Discrimination

In connection with its performance of work under this Agreement, if there be any, the Port Authority agrees not to discriminate against any employee or applicant for employment because of race, religion, color or national origin. The aforesaid provision shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Port Authority agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Lessee setting forth the provisions of the non-discrimination clause. The Port Authority further agrees to insert the foregoing provisions in all subcontracts provided for hereunder, except subcontracts for standard commercial supplies or raw materials. The Port Authority desires to have noted that in its case the agreement concerning non-discrimination is superfluous, since it has a long and well-established policy not to discriminate against any employee or applicant for employment because of race, creed, color or national origin.

Section 40. Services to the Lessee

(a) Except as provided in this Section the Port Authority shall not be obligated to perform or furnish any services or utilities whatsoever in connection with this Agreement or the use and occupancy of the premises hereunder.

(b) The Port Authority shall sell, furnish and supply to the Lessee for use on the premises and the Lessee agrees to take from the Port Authority and pay for electricity of the same voltage, phase and cycle as supplied to the premises by the public utility in the vicinity, but limited, however, to serve a maximum of 3,000 KVA installed transformer capacity, at the same charge which would be made by such public utility for the same quantity used under the same conditions and in the same service classification; charges shall be payable by the Lessee when billed and the quantity of electricity consumed shall be measured by the meter or meters installed for such purposes; provided, however, that if for any reason, any meter or meters fail to record the consumption of electricity, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period either immediately before or after the interruption as elected by the Port Authority. The Port Authority shall not discontinue the supply of electricity except upon fifteen (15) days' notice to the Lessee and unless a supply of electricity of the same voltage, phase and cycle (subject to the KVA limitation aforesaid) shall be available from another supplier and upon any such discontinuance the Lessee shall be at liberty to contract or otherwise arrange for the supply of such current after the expiration of said fifteen (15) days from any other person, firm or corporation.

(c) The Port Authority shall sell, furnish and supply to the Lessee for use on the premises cold water (of the character furnished by the City of New York) in reasonable quantities through pipes, mains and fittings and the Lessee agrees to take such water from the Port Authority and to pay the Port Authority therefor an amount equal to that which would be charged by the municipality or other supplier of the same (whether or not representing a charge for water or other services measured by water consumption) for the same quantity, used under the same conditions and in the same service classification. The charge therefor shall be payable by the Lessee when billed and the quantity of water consumed shall be measured by the meter or meters installed for such purposes; provided, however, that if for any reason, any meter or meters fail to record the consumption of water, the consumption during the period such meter or meters are out of service will be considered to be the same as the consumption for a like period either immediately before or after the interruption as elected by the Port Authority.

(d) The Lessee shall pay to the Port Authority such of the existing and future charges for sewerage services furnished by the City of New York as are presently or may hereafter be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof. In the event that the City of the State of New York is now furnishing services with or without charge therefor, which are beneficial to the Lessee in its use of the premises, and shall hereafter impose charges or increase existing charges for such services, the Lessee agrees to pay to the Port Authority such of the charges or the increase in charges as may

be imposed or assessed against the Port Authority in respect of the Lessee's premises or its use and occupancy thereof.

(e) The Port Authority shall be under no obligation to supply services if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any federal, state or municipal law, rule, regulation, requirement, order or direction and if the Port Authority deems it in the public interest to comply therewith, even though such law, rule, regulation, requirement, order or direction may not be mandatory on the Port Authority as a public agency. The Port Authority shall not be obligated to perform or furnish any service whatsoever in connection with the premises at any time while the Lessee shall be in default hereunder or has breached any of the provisions hereof, after the period, if any, herein granted to cure such default shall have expired.

No failure, delay or interruption in supplying agreed services (whether or not a separate charge is made therefore) shall be or be construed to be an eviction of the Lessee or grounds for any diminution or abatement of rental, or (unless resulting from the negligence or wilful failure of the Port Authority) shall be grounds for any claims by the Lessee for damages, consequential or otherwise.

Section 41. Affirmative Action

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

Section 42. Definitions

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

(a) The term "Agreement" shall mean this agreement of lease.

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

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

(c) The term "Lease" shall mean this agreement of lease.

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

(d) The term "premises" as defined in Section 1 of this Agreement shall without limiting the generality of said Section include the land, buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigeration, communications, gas and other systems, and their pipes, wires, mains, lines, tubes, conduits, equipment and fixtures, and all paving, drains, culverts, ditches and catch-basins.

(e) The term "General Manager of the Airport" shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the said General Manager by this Agreement; but until further notice from the Port Authority to the Lessee it shall mean the General Manager (or the temporary or acting General Manager) of the Airport for the time being, or his duly designated representative or representatives.

(f) The terms "governmental authority", "governmental board" and "governmental agency" shall mean federal, state, municipal and other governmental authorities, boards and agencies of any state, nation or government, except that it shall not be construed to include The Port Authority of New York and New Jersey, the lessor under this Agreement.

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

(g) The term "taxiways" shall mean the portion of the Airport used for the purpose of the ground movement of aircraft to, from and between the runways, the public ramp and apron area, the aircraft parking and storage space and other portions of the airport (not including, however, any taxiways, the exclusive use of which is granted to the Lessee or any other person by lease, permit or otherwise).

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

Section 43. Late Charges

If the Lessee should fail to pay any amount required under this Agreement when due to the Port Authority, including without limitation any payment of basic, percentage or other rental

or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period herein below described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to Exemption (2.a.) of such unpaid amount for each late charge period. There shall be twenty-four (24) late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (15) (but not less than thirteen (13)) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this paragraph with respect to such unpaid amount. Each late charge shall be and become additional rent, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in Section 3 of this Agreement. Nothing in this paragraph is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including without limitation the Port Authority's termination rights set forth in paragraph 14 of this Agreement, or (ii) any obligations of the Lessee under this Agreement. In the event that any late charge imposed pursuant to this paragraph shall exceed a legal maximum applicable to such late charges then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

In event that upon conducting an examination and audit as described in the above paragraph the Port Authority determines that unpaid amounts are due to the Port Authority by the Lessee, the Lessee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of Exemption (2.a.) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Lessee under this 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 to 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 hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including, without limitation, the Port Authority's rights to terminate the letting hereunder; or (ii) any obligations of the Lessee under this Agreement.

Section 44. Hazardous Substances

(a) The term "Hazardous Substance" as used in this Lease shall mean and include without limitation any pollutant, contaminant, toxic or hazardous waste, dangerous substance,

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

(b) The Lessee shall not dispose of, release or discharge or permit anyone to dispose of, release or discharge any Hazardous Substance on or from the premises or at the Airport. In addition to and without limiting paragraphs 1 and 3 hereof or any term, provision, covenant or condition hereof, any Hazardous Substance disposed of, released or discharged by the Lessee (or permitted by the Lessee to be disposed of, released or discharged) on or from the premises or at the Airport, shall upon notice from the Port Authority to the Lessee and subject to the provisions of paragraph 26 hereof, be completely removed, cleaned up and/or remediated by the Lessee, at the Lessee's sole cost and expense. The obligations of the Lessee pursuant to this paragraph shall survive the expiration or termination of this Lease.

Section 45. Effect of Use and Occupancy after Expiration or Termination

Without in any way limiting the provisions set forth in the Sections of this Agreement entitled *"Termination"*, *"Right of Re-entry"* and *"Survival of the Obligations of the Lessee"*, unless otherwise notified by the Port Authority in writing, in the event the Lessee remains in possession of the premises after the expiration or termination of the term of the letting under this Agreement, as it may be extended from time to time, in addition to any damages to which the Port Authority may be entitled under this Agreement or other remedies the Port Authority may have by law or otherwise, the Lessee shall pay to the Port Authority a rental for the period commencing on the day immediately following the date of such expiration or the effective date of such termination and ending on the date that the Lessee shall surrender and completely vacate the premises at an annual rate equal to twice the sum of (i) the annual rate of rental in effect on the date of such expiration or termination, plus (ii) all items of additional rent and other periodic charges payable with respect to the premises by the Lessee at the annual rate in effect during the 365 day period immediately preceding such date. Nothing herein contained shall give, or be deemed to give, the Lessee any right to remain in possession of the premises after the expiration or termination of the letting under this Agreement. The Lessee acknowledges that the failure of the Lessee to surrender, vacate and yield up the premises to the Port Authority on the effective date of such expiration or termination will or may cause the Port Authority injury, damage or loss. The Lessee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Lessee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

Section 46 Waiver of Trial by Jury

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

Section 47. Option to Extend

(a) The Lessee shall have the right and option to extend the term of the letting granted under this Agreement for Exemption (2.a.) upon the same terms and conditions as are in effect immediately preceding the period for which such option is exercised except that the Rental shall be increased as set forth below, and shall be payable in as set forth in Section 4 and that there shall be no right and option to extend the term of the letting granted under this Agreement beyond the expiration of the last of the said periods for which such option is exercisable. Upon the exercise of any such option, which exercise shall be by notice in writing from Lessee to the Port Authority one year prior to the period for which the option is exercised, the term of the letting granted under this Agreement shall be deemed extended without the further execution of any further agreement or other instrument.

(b) For the first option period the Lessee shall pay to the Port Authority rental for the premises as follows:

(1) for the period from July 1, 2018 through June 30, 2019, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(2) for the period from July 1, 2019 through June 30, 2020, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(3) for the period from July 1, 2020 through June 30, 2021, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(4) for the period from July 1, 2021 through June 30, 2022, both dates inclusive, at the rate of Exemption (2.a.) ; and

(5) for the period from July 1, 2022 through June 30, 2023, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(c) For the second option period the Lessee shall pay to the Port Authority rental for the premises as follows:

(1) for the period from July 1, 2023 through June 30, 2024, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(2) for the period from July 1, 2024 through June 30, 2025, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(3) for the period from July 1, 2025 through June 30 2026, both dates inclusive, at the rate of Exemption (2.a.) per annum;

(4) for the period from July 1, 2026 through June 30, 2027, both dates inclusive, at the rate of Exemption (2.a.) annum; and

(5) for the period from July 1, 2027 through June 30, 2028, both dates inclusive, at the rate of Exemption (2.a.) per annum.

Section 48. Expansion of Taxiway "E"

(a) The Lessee acknowledges and agrees that the Port Authority is currently initiating a program for the expansion of Taxiway "E" (hereinafter called the "Taxiway Expansion") at the Airport and agrees that, should the premises under this Agreement become affected by the Taxiway Expansion and any related construction, the Port Authority shall have the right, exercisable in its sole and absolute discretion, to take a portion of the premises under this Agreement for the Taxiway Expansion. A partial surrender of the premises under the provisions of this Section shall be effected by prior written notice from the Port Authority to the Lessee giving the Lessee at least sixty (60) days notice of such surrender as shall be designated in the aforesaid notice. The Lessee hereby agrees to deliver possession of such portion of the premises so required upon the effective date of such surrender in the same condition as that required for the delivery of the premises upon the date originally fixed by this Agreement for the expiration of the term of the letting. The Lessee further acknowledges and agrees that it will not be entitled to any adjustment or abatement of rentals.

(b) The Lessee hereby acknowledges and agrees that the Taxiway Expansion may interfere with the Lessee's operations and may result in a consequent loss in revenue for the Lessee. Without limiting any other terms or provisions hereof the Lessee hereby agrees to release, indemnify and hold the Port Authority harmless from and against damages, including but not limited to loss of profit, direct or consequential, if any, to the Lessee arising out of or incidental to the Taxiway Expansion. The Lessee hereby agrees that at no time during the Taxiway Expansion or as a consequence of the interference in its operations under this Agreement caused thereby will it become entitled to any abatement of the rentals payable to the Port Authority under this Agreement.

Section 49. Insurance

I. Liability

(a) The Lessee, during the term of this Agreement, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums on a policy or policies of Commercial General Liability Insurance covering bodily injury, including death, and property damage liability, none of the foregoing to contain care, custody or control exclusions, and providing for coverage in not less than the limit set forth below and Commercial Automobile Liability Insurance covering owned, non-owned and hired vehicles and including automatic coverage for newly acquired vehicles, covering bodily injury, including death, and property damage liability and providing for coverage in not less than the limits set forth below. Each such policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person shall pertain and apply with like effect with respect to any claim or action against the Lessee by the Port Authority, and shall also provide or contain an endorsement providing that the protections afforded the Port Authority thereunder and with respect to any claim or action against the Port Authority by the Lessee shall be the same as the protections afforded the Lessee thereunder with respect to any claim or action against the Lessee by a third person as if the Port Authority were the named insured thereunder, but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. The said policy or policies of insurance shall also provide or contain a contractual liability endorsement covering the obligations assumed by the Lessee under Section 12 of this Agreement.

	Minimum Limits
Commercial General Liability Insurance Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00
Commercial Automobile Liability Insurance Combined single limit per occurrence for death, bodily injury and property damage liability:	$25,000,000.00

Without limiting the insurance provisions of this Agreement, in the event the Lessee maintains the liability insurance in limits greater than set forth in this Agreement, the Port Authority shall be included therein as an additional insured to the full extent of all such insurance in accordance with all terms and provisions hereof.

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

(c) As to the insurance required by the provisions of this Agreement a certified copy of the policies or a certificate or certificates, evidencing the existence thereof, or binders, shall be delivered by the Lessee to the Port Authority upon execution of this Agreement and delivery thereof by the Lessee to the Port Authority. Each policy, certificate or binder delivered as aforesaid shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. In the event a binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving thirty (30) days' written advance notice thereof to the Port Authority. Each such copy or certificate shall contain an additional endorsement providing that the insurance carrier shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provisions of any statutes respecting suits against the Port Authority. Any renewal policy shall be delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of the term of this Agreement. The aforesaid insurance shall be written by a company or companies approved by the Port Authority, the Port Authority agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to the form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If the Port Authority at any time so requests, a certified copy of each of the policies shall be delivered to the Port Authority.

II. Property

(a) The Permittee shall, during the term of this Agreement, insure and keep insured to the extent of 100% of the replacement value thereof, the entire premises and all other buildings, structures, improvements, installations, facilities and fixtures now or in the future located on the premises against all risks of physical loss or damage (including, but not limited to flood and earthquake risks), if available, and if not available, then against such hazards and risks as may now or in the future be included under the Standard Form of Fire Insurance Policy of the State of New York and also against damage or loss by windstorm, cyclone, tornado, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke, under the Standard Form of Fire Insurance Policy of New York and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction, and if the Port Authority so requests, also covering contamination hazards and, if the premises contains a boiler, then boiler and machinery hazards and risks, in a separate insurance policy or policies or as an additional coverage endorsement to the aforesaid policies in the form as may now or in the future be prescribed as of the effective date of said insurance by the rating organization having jurisdiction and/or the Superintendent of Insurance of the State of New York and the Permittee shall furthermore provide additional insurance covering any other peril of loss or damage that the Port Authority at any time during the term of this Agreement covers by carrier or self-insurance covered by appropriate reserves at other locations at the Airport upon ninety day's (90) written notice to the Lessee to such effect

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

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

(d) The policies or certificates representing insurance covered by this Section shall, if not already delivered, shall be delivered by the Lessee to the Port Authority prior to the Commencement Date and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon, and also shall contain a valid provision obligating the insurance company to furnish the Port Authority and the City of New York thirty (30) days' advance notice of the cancellation or termination of the insurance evidenced by said policy or certificate and that the policy may not be changed or modified in any way that would affect the Port Authority or the City of New York without giving thirty (30) days' written advance notice thereof to the Port Authority and the City of New York. Renewal policies or certificates shall be delivered to the Port Authority before the expiration of the insurance which such policies are to renew.

(e) The insurance covered by this Section shall be written by companies approved by the Port Authority, the Port Authority covenanting and agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Lessee shall promptly obtain a new and satisfactory policy in replacement, the Port Authority covenanting and agreeing not to act unreasonably hereunder. If at any time the Port Authority so requests, a certified copy of each of said policies shall be made available by the Lessee to the Port Authority for inspection and reproduction at an office of the Lessee within the Port of New York District.

(f) In lieu of securing the policy of commercial general liability insurance required in paragraph I of this Section and the 100% property replacement insurance required in paragraph II of this Section, upon the execution of this Agreement and the delivery to the Port Authority, the Lessee shall provide a statement, executed by an authorized individual thereof, acknowledging that with respect to any liabilities that would have been covered by insurance and under the same terms and conditions as would be provided by an insurance company, the Lessee is authorized to pay proper claims against it, is subject to suit for damages, and maintains sufficient assets and lines of credit to cover any such event, with the Port Authority and the City specifically acknowledged as beneficiaries of such protection. Liability claims against the Lessee are governed by the Federal Tort Claims Act, 39 U.S.C. Section 409 (c). Pursuant to these provisions, the Lessee is liable for its negligent acts and omissions, as well as the negligent acts and omissions of its employees and officers acting within the scope of their employment in the same manner and to the same extent as a private individual under like circumstances would be in accordance with the law of the place where the act or omission occurred. Without limiting the provisions of said paragraphs I and II, the Lessee shall act as an indemnifier of the Port

Authority and shall reimburse the reasonable cost of any defense in actions against the Port Authority with respect to all claims and demands of third persons and liability therefore to the same extent that an insurance company would have done so under the policy described in paragraphs I and II, excluding any claim or demand of any third person arising solely out of any negligent act or omission of the Port Authority, its Commissioners, officers, agents or employees.

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Section 50. Entire Agreement

This Agreement consists of the following: Sections 1 through 50, inclusive, Exhibit A (1 of 2) and Exhibit A (2 of 2). It constitutes the entire agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written instrument duly executed by the Port Authority and the Lessee. The Lessee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in this Agreement.

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

ATTEST:

By _____
Secretary

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

By _____

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

~~ATTEST~~: Witness:

By _____
Secretary
Nicholas Meuchise

THE UNITED STATES POSTAL SERVICE

By _____

Name Paul J. Sauk
(Please Print Clearly)

(Title) Contracting Officer
(Seal)

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

LCL/dmt

DEBRA C. CORBETT
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 5, 2011

Exemption (4)

Exemption (4)

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

FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

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

On the 31ST day of MARCH in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared DAVID KAGAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Gail E. Mitchell
(notarial seal and stamp)

GAIL E. MITCHELL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6026210
Qualified In Queens County
My Commission Expires June 14, 2011

FOR THE UNITED STATES POSTAL SERVICE

STATE OF New Jersey)
) ss.
COUNTY OF Hudson)

On the 13 day of March in the year 2009, before me, the undersigned, a Notary Public in and for said state, personally appeared Paul Sens, 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.

Debra C Corbett
(notarial seal and stamp)

DEBRA C. CORBETT
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires June 5, 2011