

Torres Rojas, Genara

From: nkarlen@global-aero.com
Sent: Thursday, February 12, 2015 3:21 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree; Ng, Danny
Subject: Freedom of Information Online Request Form

Information:

First Name: Nancy
Last Name: Karlen
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Required copies of the records: Yes

List of specific record(s):

FBO Minimum Standards at Teterboro Airport Operating agreement between Meridian Charter FBO and Teterboro Airport Minimum Operating Standards - Teterboro Airport

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

July 24, 2015

Ms. Nancy Karlen
Aviation Insurance
Global Aerospace, Site 1100 3399 Peachtree Road
Atlanta, GA 30326

Re: Freedom of Information Reference No. 15785

Dear Ms. Karlen:

This is in response to your February 12, 2015 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy enclosed) for copies of records related to FBO Minimum Standards at Teterboro Airport Operating agreement between Meridian Charter FBO and Teterboro Airport Minimum Operating Standards - Teterboro Airport.

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/15785-LPA.pdf>. Paper copies of the available records are available upon request.

Pursuant to the Code, certain portions of the material responsive to your request are exempt from disclosure as, among other classifications, personal privacy.

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

Very truly yours,



Danny Ng
FOI Administrator

Enclosure

*4 World Trade Center, 18th Floor
150 Greenwich Street
New York, NY 10007
T: 212 435-7348 F: 212 435-7555*

USE AND OCCUPANCY AGREEMENT

TA-304

JOHNSON CONTROLS WORLD SERVICES INC.

AND

GENERAL AVIATION AIRCRAFT SERVICE, INC.

TETERBORO AIRPORT

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Teterboro Airport
Agreement TA-304

USE AND OCCUPANCY AGREEMENT

THIS AGREEMENT, dated this First day of January, 2000 by and between JOHNSON CONTROLS WORLD SERVICES INC. (hereinafter called "Johnson Controls" or the "Airport Operator"), a Florida corporation, and GENERAL AVIATION AIRCRAFT SERVICE, INC. (hereinafter called the "User"), a New Jersey corporation.

WITNESSETH, THAT:

WHEREAS, The Port Authority of New York and New Jersey (hereinafter called the "Port Authority") is the owner of Teterboro Airport (the "Airport") located in the Boroughs of Teterboro, Moonachie and Hasbrouck Heights and in the Township of Lyndhurst, County of Bergen in the State of New Jersey; and

WHEREAS, Johnson Controls is the operator of the Airport and has the right to operate and use the Airport as successor - assignee to an agreement between Pan American World Airways, Inc. ("Pan American") and the Port Authority dated September 19, 1967, as may have been or may hereafter be extended or amended, hereinafter called (the "Basic Agreement"); and

WHEREAS, pursuant to and in accordance with the terms of the Basic Agreement, the Airport Operator and the User and its predecessors in interest, have entered into the following Use and Occupancy Agreements, with the consent of the Port Authority, for the use of certain Space at Teterboro Airport:

TA-051 dated October 23, 1974 Hangar 5;

AT-125 dated November 9, 1955 Hangar 14;

WHEREAS, the Port Authority, the Airport Operator and the User entered into Consent Agreements of various dates (hereinafter called the "Use and Occupancy Consent Agreements") consenting to each of the above listed Use and Occupancy Agreements, wherein the Port Authority gave its consent to the Use and Occupancy Agreements; and

WHEREAS, the Airport Operator and the User desire to replace the above referenced Use and Occupancy Agreements with a new, consolidated Use and Occupancy Agreement TA-304 (the "Agreement") as hereinafter described; and

WHEREAS, the User desires to construct and Johnson Controls desires to permit

the User to construct hangar facilities at the Space provided for in the Agreement and in consideration of said construction extend the term of the Agreement,

NOW, THEREFORE, in consideration of the mutual agreements and respective promises herein contained and made by the parties hereto, the parties hereby agree, effective as of December 30, 1999 (the "Effective Date" of this Supplement) unless otherwise stated, as follows:

1. Term

- 1.1 The Term of this Agreement shall commence on the 1st day of January, 2000 (hereinafter called the "Effective Date"), and unless sooner terminated in accordance with the terms of this Agreement or as provided for in the Consent Agreement, shall terminate on the day before the Twenty (20) year Anniversary of the Completion Date, as defined in subsection 5.7.15 of this Agreement, of the construction described in Section 5.1 of this Agreement.
- 1.2 The parties acknowledge that the Consent Agreement granting the Port Authority's consent to this Agreement and the matters herein set forth shall provide for the termination of this Agreement upon the termination of the Basic Agreement, but with the terms, rights and obligations of this agreement being assumed by the Port Authority itself or an airport operator designated by the Port Authority.

2. Termination of Prior Agreements

- 2.1 Letters of Termination shall be issued on each of the above listed Use and Occupancy Agreements, with the effective date of termination to be coincidental with the Effective Date of the Agreement. All provisions of such agreements, and exhibits attached thereto shall be of no further force or effect subsequent to the Effective Date of the Agreement.

3. Space

- 3.1 On and after the Effective Date of the Agreement, the Space under the Agreement shall be the area shown as Area 1 on Exhibit A-1, attached hereto and made a part hereof, together with all buildings, structures, improvements, additions and permanent installations constructed and installed or to be constructed and installed therein or thereon or thereunder during the remainder of the term of this Agreement (hereinafter collectively referred to as the "Space").
- 3.2 In the event that Taxiway P at the Airport is relocated, then, upon notice by Johnson Controls to the User that said Taxiway has been decommissioned, the area set forth as Area 2 on Exhibit A shall be added

to and become part of the Space as herein defined. The User shall proceed expeditiously and with all reasonable diligence, in accordance with Section 5 of the Agreement, to pave and construct an aircraft parking ramp on said area.

- 3.3 When the Airport Maintenance Facility is relocated, then, upon notice by Johnson Controls to the User that said area is available for use and occupancy by the User, the area set forth as Area 3 on Exhibit A shall be added to and become part of the Space as herein defined. The User shall proceed expeditiously and with all reasonable diligence, in accordance with Section 5 of the Agreement, to pave and construct an aircraft parking ramp on said area.

4. Use and Occupancy

- 4.1 The User shall use and occupy the Space as set forth on Exhibit A and Area 2 on Exhibit A and Area 3 on Exhibit A when they become part of the Space in accordance with subsection 3.2 and 3.3 above, for the following purposes only and for no other purpose whatsoever:
- 4.1.1 For the storage, maintenance, servicing and repair of aircraft, aircraft assemblies, aircraft accessories and aircraft radio and electronic equipment and any component parts thereof;
 - 4.1.2 For the sale of aircraft assemblies, accessories, aircraft radio and electronic equipment and any component parts thereof;
 - 4.1.3 For the leasing and chartering of general aviation aircraft;
 - 4.1.4 For the parking of automobiles and other vehicles operated by officers, employees, invitees and business visitors of the User; it being understood that the parking of vehicles on areas of the Space shall be subject to the prior and continuing approval of the Airport Operator;
 - 4.1.5 For the parking of aircraft;
 - 4.1.6 For business and operations offices and terminals in connection with the purposes authorized hereunder;
 - 4.1.7 For the sale of aviation fuel and aviation lubricants and for delivery of such fuel and lubricants to and into aircraft, all in accordance with provisions of other agreements entered into or to be entered into between the Airport Operator and the User specifically regulating such sales and deliveries and providing for the payment of fees therefor.

- 4.2 Notwithstanding the right granted to User to conduct pilot training hereunder, the Airport Operator hereby reserves the right to restrict or terminate touch-and-go flight operations and to restrict the time primary flight training operations may be conducted at the Airport when, in its sole judgment, such action is deemed necessary for Airport safety.
- 4.3 All flight operations conducted at the Airport by the User shall be subject to the Schedule of Charges pertaining thereto in addition to all other fees payable by the User hereunder.
- 4.4 The uses granted the User in subsection 4.1 above shall not include the right to sell aircraft and utilize the Space for activities associated with the sale of aircraft.

5. Construction by the User

- 5.1 The parties hereby agree that within six (6) months of the date of execution by the Port Authority of the Consent Agreement granting the Port Authority's consent to this Agreement, the User shall , in accordance with subsection 5.3 of the Agreement, submit plans and specifications for the demolition of the facility currently on the Space as shown on Exhibit A known as Hangar 5 and the construction of a replacement facility consisting of a minimum of 40,000 square feet of aircraft hangar space together with approximately 2,000 square feet of adjoining office and shop space and not less than 15,000 square feet of a passenger terminal (hereinafter referred to as the "Construction Work") with a minimum investment of Five Million Dollars (\$5,000,000.00). Upon approval by the Port Authority of said plans and specifications and the availability of Area 3 of Exhibit A to the user the User agrees to promptly commence the construction work as provided for in this Section 5 of the Agreement and to complete construction within one (1) year following Port Authority approval of construction plans and specifications or the availability to the User of Area 3 of Exhibit 1, whichever is the later. The User shall not be held in default under this subsection in the event construction cannot be completed within the said time limit due to acts of God. Should the User not complete the improvement as specified within this subsection within the time specified, the land rent for the Space as shown as Area 1 on Exhibit A shall be increased by fifty percent (50%) until such improvements are completed.
 - 5.1.1 The User shall not use or permit the use of the construction work for the purpose set forth in this Agreement until such certificate is received from the Airport Operator. The date of delivery of the certificate by the Airport Operator shall constitute the Completion Date for the purposes of the Agreement.

- 5.2 Prior to the commencement of construction of the facility set forth in subsection 5.1.2 above, or any part thereof, User shall submit to the Airport Operator a construction application and complete plans and specifications of such proposed construction.
- 5.3 The plans and specifications shall be submitted by the Airport Operator to the Port Authority for approval and the Airport Operator or the Port Authority may refuse to grant approval if, in their opinion, the proposed facilities as laid out and indicated by the User on such plans, or if constructed according to such plans and specifications, the facilities:
 - 5.3.1 will be structurally unsound or unsafe or hazardous for human occupation or improper for the use and occupancy for which it is designed;
 - 5.3.2 will not comply with all the requirements of this Agreement;
 - 5.3.3 will not comply with the Airport Operator or the Port Authority's standards for harmony of external architecture of similar or future construction at the Airport;
 - 5.3.4 will not comply with the standards set by the Airport Operator or the Port Authority with respect to utility or rentability;
 - 5.3.5 will be so located that there will not be sufficient clearance in respect to existing or planned projecting aprons, runways, or taxiways adjacent thereto;
 - 5.3.6 is designed for use for purposes other than those for which User is permitted to use the Space under this Agreement;
 - 5.3.7 will be in violation of any local code, OSHA-70, or any other law, ordinance or regulation of any governmental authority having jurisdiction over the Airport if the Port Authority were a private corporation;
 - 5.3.8 will set forth ground elevations or heights other than those that are consistent with the proper operation and use of the Airport;
 - 5.3.9 will not provide adequate circulation arteries for vehicular and pedestrian traffic and fire-fighting equipment;
 - 5.3.10 will not be at locations or not be oriented in accordance with the approved comprehensive plans for the Airport.
- 5.4 Upon approval of such plans and specifications by the Airport Operator and the Port Authority, the User shall proceed expeditiously and with all reasonable diligence to construct, at its own expense and cost, the facilities

in accordance with such approved plans and specifications.

- 5.5 The User or User's construction contractor shall furnish The Airport Operator performance and payment bonds in a sum equal to the estimated cost of construction, in a form and with sureties satisfactory to the Airport Operator, for the faithful performance by User of its construction obligations contained in this Agreement and for the guarantee of payment of all claims of tradespersons, workers and subcontractors. User shall deliver such bonds to the Airport Operator prior to commencement of construction or within thirty (30) days after the award by User of construction contract or contracts, whichever occurs first.
- 5.6 Upon completion of any work to be performed by User hereunder, title thereto shall immediately and without execution of any further instrument vest in the Port Authority and such work shall thereupon become and thereafter be a part of the Airport.
- 5.7 All construction work shall be done in accordance with the following terms and conditions:
 - 5.7.1 The User hereby assumes the risk of loss or damage to all of the construction work prior to the completion thereof and the risk of loss or damage to all property of the Airport Operator and of the Port Authority arising out of or in connection with the performance of the construction work. In the event of such loss or damage, the User shall forthwith repair, replace and make good the construction work and the property of the Airport Operator or of the Port Authority without cost or expense to the Airport Operator. The User shall itself and shall also require its contractors to indemnify and hold harmless the Airport Operator, its subsidiaries and affiliates, their Directors, officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Airport Operator and its subsidiaries and affiliates) arising or alleged to arise out of the performance of the construction work and for all expenses, (whether or not such claims, demands, causes of action, liabilities etc., are made or asserted before or after termination or expiration of this Agreement) incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, (to include reasonable attorney's and other professional fees) direct or consequential, whether they arise out of or from the acts or omissions of the User, of any contractors of the User, of the Airport Operator or of third persons, or from acts of God or of the public enemy, or otherwise (including claims of the Port Authority) against the Airport Operator pursuant to the Basic Agreement whereby the Airport Operator has agreed to indemnify the Port Authority against claims) excepting only claims and demands which result

from negligent acts done by the Airport Operator, its subsidiaries and affiliates, their Directors, officers, agents and employees subsequent to the commencement of the construction work.

- 5.7.2 Prior to engaging or retaining an architect or architects for the construction work, the name or names of said architect or architects shall be submitted to the Airport Operator for its approval. The Airport Operator shall have the right to disapprove any architect who may be reasonably unacceptable to it, and to advise User in writing of the Airport Operator's reason for such disapproval. All construction work shall be done in accordance with plans and specifications to be submitted to and approved by the Airport Operator and the Port Authority prior to the commencement of the construction work, and until such approval has been obtained the User shall continue to resubmit plans and specifications as required. Upon approval of such plans and specifications the User shall proceed diligently at its sole cost and expense to perform the construction work. All construction work, including workmanship and materials, shall be of first class quality. The User shall redo, replace or reconstruct at its own cost and expense, any construction work not done in accordance with the approved plans and specifications, the provisions of this Section or any further requirements of the Airport Operator made in accordance with this Agreement, so long as the Airport Operator has advised User if work was not done in accordance with the plans and specifications.
- 5.7.3 Prior to entering into a contract for any part of the construction work, the User shall submit to the Airport Operator for its approval the names of the contractors to whom the User proposes to award said contracts. The Airport Operator shall have the right to disapprove any contractor who may be unacceptable to it for reasonable cause and to advise User in writing of the Airport Operator's reasons for such disapproval. The User shall include in all such contracts such provisions and conditions as may be required by the Airport Operator, including without limitation thereto, the provision set forth in Exhibit B attached hereto and hereby made a part hereof.
- 5.7.4 The User shall furnish or require its architect to furnish a resident engineer during the construction period as the Airport Operator may require. The User shall require certification by a licensed engineer of all pile driving data and of all controlled concrete work and such other certifications as may be requested by the Airport Operator from time to time.
- 5.7.5 The User agrees to be solely responsible for any plans and specifications used by it and for any loss or damages resulting from the use thereof, notwithstanding the same having been approved by the Airport Operator and the Port Authority and notwithstanding the incorporation therein of the Airport Operator or Port Authority recommendations or requirements.

Notwithstanding the requirements for approval by the Airport Operator of the contracts to be entered into by the User on the incorporation therein of the Airport Operator requirements or recommendations, and notwithstanding any rights the Airport Operator may have reserved to itself hereunder, the Airport Operator shall have no liabilities or obligations of any kind to any contractors engaged by the User or for any other matter in connection therewith and the User hereby releases and discharges the Port Authority and the Airport Operator, its subsidiaries and affiliates, their Commissioners, Directors, officers, representatives and employees of and from any and all liability, claims for damages or losses of any kind, whether legal or equitable, or from any action or cause of action arising or alleged to arise out of the performance of any construction work pursuant to the contracts between the User and its contractors (to include reasonable attorney's and other professional fees). Any warranties contained in any construction contract entered into by the User for the performance of the construction work hereunder shall be for the benefit of the Airport Operator and the Port Authority as well as the User.

- 5.7.6 The Airport Operator shall have the right, through its duly designated representatives, to inspect the construction work and the plans and specifications thereof, at any and all reasonable times during the progress thereof and from time to time, in its discretion, to take samples and perform testing on any part of the construction work, but the taking of samples and testing shall be conducted so as to minimize interference with the construction work, if such minimization of impact can be accomplished without diminishing the effectiveness or accuracy of the samples and or tests.
- 5.7.7 The User agrees that it shall deliver to the Airport Operator "as built" drawings (capable of being reproduced) of the construction work and shall during the term of this Agreement keep said drawings current showing thereon any changes or modifications which may be made. (No changes or modifications to be made without the Airport Operator's consent.)
- 5.7.8 The User shall, if requested by the Airport Operator, take all reasonable measures to prevent erosion of the soil and the blowing of sand and soil during the performance of the construction work, including but not limited to the fencing of the Space or portion thereof and the covering of open areas with asphaltic emulsion or similar materials as the Airport Operator may direct.
- 5.7.9 The User shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, tradespersons and workers, and all claims lawfully made against it by other third persons arising out of or in

connection with or because of the performance of the construction work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the User to contest any claim of a contractor, subcontractor, tradespersons, workman and/or other person and no such claim shall be considered to be an obligation of the User within the meaning of this Section unless and until the same shall have been finally adjudicated. The User shall use its best efforts to resolve any such claims and shall keep the Airport Operator fully informed of its actions with respect thereto. The User shall require its construction contractor to furnish a bond for the faithful performance of and also for the payment of all lawful claims of subcontractors, tradespersons and workers arising out of the performance of said construction contract.

5.7.10 The User shall procure and maintain comprehensive general liability insurance, including automotive, with a contractual liability endorsement covering the obligations assumed by the User herein which shall be in addition to all policies of insurance otherwise required under this Agreement or the User may provide such insurance by requiring each contractor engaged by it for the construction work to procure and maintain such insurance including such contractual liability endorsement, said insurance not to contain any care, custody or control exclusions, any exclusions for explosions, collapses or damage to bodily injury to or sickness, disease or death of any employee of the User or of any of its contractors which would conflict with or in any way impair coverage under the contractual liability endorsement. Said insurance shall name the Airport Operator and the Port Authority as additional insured and be in not less than the following amounts:

(i) Bodily Injury Liability:

For injury to or wrongful death to one person... \$3,000,000

For injury or wrongful death to more than
one person for any one occurrence \$5,000,000

Aggregate Products Completed Operations \$5,000,000

(ii) Property Damage Liability:

For all damage arising out of injury to or
destruction of property in any one occurrence ... \$5,000,000

Aggregate Products Completed Operations \$5,000,000

Aggregate Operations	\$5,000,000
Aggregate Productive	\$5,000,000
Aggregate Contractual	\$5,000,000

The insurance required hereunder shall be maintained in effect during the performance of the construction work. A certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Airport Operator at least fifteen (15) days prior to the commencement of any work. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the Airport Operator and the Port Authority. The aforesaid insurance shall be written by a company or companies licensed to conduct business in the State of New Jersey and, approved by the Airport Operator, the Airport Operator agreeing not to withhold its approval unreasonably. If at any time any of the insurance policies shall become unsatisfactory to the Airport Operator or the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Airport Operator or the Port Authority, the User shall promptly obtain a new and satisfactory policy in replacement, the Airport Operator and the Port Authority agreeing not to act unreasonably hereunder.

- 5.7.11 The User shall prior to the commencement of the construction work, and at all times during the construction work, submit or cause to be submitted to the Airport Operator all engineering studies with respect to the construction work and samples of construction materials as may be reasonably required at any time and from time to time by the Airport Operator.
- 5.7.12 The User shall procure and maintain or cause to be procured and maintained Builder's Risk Completed Value Insurance covering the construction work during the performance thereof including material delivered to the construction site but not attached to the realty in an amount and form satisfactory to the Airport Operator. Such insurance shall name the Airport Operator, the Port Authority, the User and its contractors and subcontractors as additional insured and such policy shall provide that the loss shall be adjusted with and payable to the User. Such proceeds shall be used by the User for the repair, replacement or rebuilding of the construction work and any excess shall be paid over to the Airport Operator and the Port Authority. The policies or certificates representing this insurance shall be delivered by the User to the Airport

Operator prior to the commencement of construction and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon and, also, a valid provision obligating the insurance company to furnish the Port Authority and the Airport Operator fifteen (15) days' advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or change or modification of the insurance evidenced by said policy or certificate. The insurance shall be written by companies licensed to conduct business in the State of New Jersey, and approved by the Airport Operator, the Airport Operator agreeing not to withhold its approval unreasonably and if the Airport Operator disapproves of any insurance company, it shall advise User in writing of the reasons for such disapproval. If at any time any of the insurance policies shall be or become unsatisfactory to the Airport Operator as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Airport Operator, the User shall promptly obtain a new and satisfactory policy in replacement, the Airport Operator agreeing not to act unreasonably hereunder.

- 5.7.13 Nothing contained herein shall grant or be deemed to grant to any contractor, architect, supplier, subcontractor, or any other person engaged by the User, of any of its contractors in the performance of any part of the construction work, any right of action or claim against the Airport Operator, its subsidiaries and affiliates, their Directors, officers, agents and employees or the Port Authority, its Commissioners, officers, agents and employees with respect to any work any of them may do in connection with the construction work.
- 5.7.14 Nothing contained herein shall create or be deemed to create any relationship between the Airport Operator and any such contractor, architect, supplier, subcontractor or any other person engaged by the User or any of its contractors in the performance of any part of the construction work and neither the Airport Operator nor the Port Authority shall be responsible to any of the foregoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the construction work.
- 5.7.15 When the construction work is substantially completed and is ready for use by the User, the User shall advise the Airport Operator to such effect and shall deliver to the Airport Operator a certificate executed by an authorized officer of the User certifying that such construction work has been constructed in all material respects in accordance with the approved plans and specifications and the provisions of this Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders, provided that the User shall correct, modify, or redo any item that the Port Authority requires to be corrected, modified or

redone. Thereafter, such construction work will be inspected by the Airport Operator and if the same has been completed as specified by the User, a certificate to such effect shall be delivered to the User, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability therefor for negligence or other reason shall be borne by the User, excepting any liability due to the negligence of the Airport Operator. The User shall not use or permit the use of the construction work for the purposes set forth in this Agreement until such certificate is received from the Airport Operator. The date of delivery of the certificate by the Airport Operator shall constitute the Completion Date for the purposes of this Agreement.

- 5.7.16 The construction work shall be conducted in such a manner that there will be at all times a minimum of air pollution, water pollution or any other type of pollution and a minimum of noise emanating from or arising out of or resulting from the operations of the User under this Section. Accordingly, and in addition to all other obligations imposed on the User under this Agreement and without diminishing, limiting, modifying or affecting any of the same, the User shall be obligated to construct as part of the construction work hereunder such necessary or appropriate systems to accomplish the foregoing and all of the foregoing shall be covered under the plans and specifications of the User and shall be part of the construction work hereunder.
- 5.7.16.1 Notwithstanding the provisions of the foregoing paragraph and in addition thereto, the Airport Operator hereby reserves the right from time to time and at any time during the term of this Agreement to require the User, subsequent to the completion of the construction work to design and construct at its sole cost and expense such further reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of subsection 5.7.16.
- 5.8 The User hereby acknowledges that the Airport Operator has constructed security fencing to secure and prevent inadvertent entry onto the aeronautical areas of the Airport. The User hereby agrees, during all phases of construction work and at all time during the term of this Agreement, to design and construct, at its sole cost and expense, such further fencing as may be necessary to maintain said security fencing.
- 5.9 All locations, the manner, type and method of construction and the size of any of the provisions of subsections 5.7.16 and 5.8 shall be determined by the Airport Operator. The User shall submit for the Airport Operator's approval its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same. It is expressly agreed that the design and appearance of the construction

required by subsections 5.7.16 and 5.8 shall be consistent with the overall design and construction of User's facilities. All other provisions of this Section with respect to the construction work shall apply and pertain with like effect to any work which the User is obligated to perform pursuant to this paragraph and upon completion of each portion of such work it shall be and become a part of the construction work.

6. Other Construction by the User

6.1 Except as otherwise expressly provided herein, the User shall not erect any structures, make any improvements or do any construction work on the Space, or install any fixtures (other than fixtures, removable without material damage to the Space, any such damage to be immediately repaired by the User) without the prior written approval of the Airport Operator through the medium of a construction or alteration application (which application will be approved by the Airport Operator as soon as practicable) and in the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such approval, then upon reasonable notice to do so, the User will remove the same or at the option of the Airport Operator, cause the same to be changed to the satisfaction of the airport Operator. In case of any failure on the part of the User to comply with such notice, the airport Operator may effect the removal or change and User shall pay the cost thereof to the Airport Operator.

7. Fees to the Airport Operator

7.1 Exhibit B, attached hereto and made a part hereof, defines the Basic Fee structure applicable to this Agreement.

7.2 Effective January 1, 2000 the User shall pay to Johnson Controls a total monthly fee for building space and land area determined as follows: a total base fee of Fifty-eight Thousand Two Hundred and Forty-nine Dollars and Thirty-three Cents (\$58,249.33) shall first be multiplied by a fraction, the numerator of which shall be the Consumer Price Index (CPI), as hereinafter defined, published for the month of December 1999 and the denominator of which shall be the CPI published for the month of December 1998 and the User shall pay the product thereof on January 1, 2000 and on the first day of each and every month thereafter. In computing the total monthly fee payable January 1, 2000 in no event shall the monthly fee be less than Fifty-eight Thousand Two Hundred and Forty-nine Dollars and Thirty-three Cents (\$58,249.33).

7.2.1 Upon notice by the User to the Airport Operator and the Port Authority of the date that it has vacated the existing structure known as Hangar 5 and is commencing the demolition of said structure, the total monthly fee stated

above shall be abated from and after said date by the then current building rental fee for Hangar 5.

- 7.2.2 In the event that the construction set forth in subsection 5.1 above is not completed in the time frame set forth therein, the User agrees to pay to Johnson Controls a surcharge equal to Sixteen Thousand Five Hundred and Twenty-one Dollars and Twenty-three Cents (\$16,521.23), as adjusted for the CPI, representing one half of the monthly land use fee for each and every month, or fraction thereof, that the completion of construction extends beyond the twelve (12) month time frame. This surcharge shall be in addition to all other fees and charges set forth in this Section.
- 7.3 When Area 2 as shown on Exhibit A is available to the User and becomes part of the Space, effective on the date of notice to such effect and continuing until the twentieth anniversary of the completion of improvements to Area 2, the User shall pay to Johnson Controls an additional monthly land use fee of Six Thousand Three Hundred and Fifty Dollars and Thirty-five Cents (\$6,350.35), as adjusted by the then-current CPI adjustment factor from the December 1998 base year.
- 7.4 When Area 3 as shown on Exhibit A is available to the User and becomes part of the Space, effective on the date of notice to such effect and continuing until the twentieth anniversary of the completion of improvement to Area 2, the User shall pay to Johnson Controls an additional monthly land use fee of Two Thousand Six Hundred and Thirty-five Dollars and Thirty-five Cents (\$2,635.35), as adjusted by the then-current CPI adjustment factor from the December 1998 base year.
- 7.5 Effective January 1, 2001 and annually thereafter the User shall pay to Johnson Controls a total monthly fee for building and land for Area 1 and 2, if then part of the Space, as shown on Exhibit A, or Area 1, 2, 3, if then part of the Space, equal to the greater of either the prior year's fee multiplied by a fraction, the numerator of which shall be the CPI as published for the month of December of the year prior to the affected year and the denominator of which shall be the CPI published for the month of December of two years prior to the affected year or the prior year's fee. In computing the total monthly fee payable in no event shall the monthly fee be less than the prior year's fee or increased by an amount greater than six percent (6%).
- 7.6 Johnson Controls and/or the Port Authority reserves the right, at their option, to perform a real estate appraisal of the User's Space in the year 2009. In the event that such an appraisal is performed, from and after January 1, 2010 the monthly fee payable by the User shall be the greater of either (i) one twelfth of the appraised land rate for Area 1 and 2, if then part of the Space, as shown on Exhibit A, and Area 1, 2, 3, if then part of

the Space or (ii) the December 2009 total monthly fee payable multiplied by a fraction the numerator of which shall be the CPI as published for the month of December 2009 and the denominator of which shall be the CPI published for the month of December 2008. In the event that the fee calculated in accordance with (ii) above is fifteen percent (15%) or higher than that calculated in accordance with (i) above, then the monthly fee payable effective January 1, 2010 would be the greater of (a) the fee payable January 2000 adjusted annually by 1/2 of the change in the CPI or (b) the rate calculated per (i) above.

- 7.7.1 In the event that a real estate appraisal of the User's Space is not performed in the year 2009, effective January 1, 2010 the User shall pay to Johnson Controls a total monthly fee for land for Area 1 and 2, if then part of the Space, as shown on Exhibit A, and Area 1, 2, 3, if then part of the Space, equal to the greater of either (i) the fee payable December 1, 2009 multiplied by a fraction, the numerator of which shall be the CPI as published for the month of December 2009 and the denominator of which shall be the CPI published for the month of December 2008 or (ii) the rate payable December 1, 2009. In computing the total monthly fee payable in no event shall the monthly fee be less than the prior year's fee or increased by an amount greater than six percent (6%).
- 7.8 Effective January 1, 2011 and annually thereafter the User shall pay to Johnson Controls a total monthly fee for land for the Space equal to the greater of (i) the prior year's fee multiplied by a fraction, the numerator of which shall be the CPI as published for the month of December of the year prior to the affected year and the denominator of which shall be the CPI published for the month of December of two years prior to the affected year, or (ii) the rate payable December of the prior year. In computing the total monthly fee payable in no event shall the monthly fee be less than the prior year's fee or increased by an amount greater than six percent (6%).
- 7.9 In the event that the term of the Agreement is extended beyond the twenty (20) year anniversary of the completion of the construction provided for in subsection 5.1 of the Agreement due to the later completion of the construction provided for in subsection 5.2 above, the User shall, from the day after the twentieth (20th) year anniversary of the Completion Date of the construction provided for in subsection 5.1 of the Agreement until the expiration of the term of the Agreement, pay to Johnson Controls a monthly building rental fee developed from the appraised building rate derived from a real estate appraisal performed of the facility, with the appraiser to be selected by the Port Authority. If an appraisal is not conducted the building rental fee will be determined using the prevailing rate for comparable space at the Airport or the existing rate increased by the CPI, whichever is higher.

- 7.9.1 Effective on the January 1st following the twentieth (20th) year anniversary of the Completion Date described in subsection 5.1 of the Agreement and annually thereafter, the User shall pay to Johnson Controls the monthly building rental fee stated above, multiplied by a fraction, the numerator of which shall be the CPI as published for the month of December of the year immediately preceding January 1 of the fee increase and the denominator of which shall be the CPI published for the month of December two years preceding. In computing the total monthly fee payable in no event shall the monthly fee be less than the year preceding.
- 7.10 In the event that the term of the Agreement is extended beyond the twenty (20) year anniversary of the completion of the construction provided for in subsection 5.2 of the Agreement due to the later completion of the construction provided for in subsection 3.2 above, the User shall, from the day after the twentieth (20th) year anniversary of the Completion Date of the construction provided for in subsection 5.2 of the Agreement until the expiration of the term of the Agreement, pay to Johnson Controls a monthly building rental fee based upon the appraised building rate derived from a real estate appraisal performed of the facility, with the appraiser to be selected by the Port Authority. If an appraisal is not conducted the building rental fee will be determined using the prevailing rate for comparable space at the Airport or the existing rate increased by the CPI, whichever is higher.
- 7.10.1 Effective on the January 1st following the twentieth (20th) year anniversary of the Completion Date described in subsection 5.2 of the Agreement and annually thereafter, the User shall pay to Johnson Controls the monthly building rental fee stated above, multiplied by a fraction, the numerator of which shall be the CPI as published for the month of December of the year immediately preceding January 1 of the fee increase and the denominator of which shall be the CPI published for the month of December two years preceding. In computing the total monthly fee payable in no event shall the monthly fee be less than the year preceding.
- 7.11 The term "CPI" as used herein shall be the Consumer Price Index for all Urban Consumers of the Bureau of Labor Statistics of the United States Department of Labor, all Items, Selected Larger Cities, for the New York - Northeastern New Jersey area as published by the United States Department of Labor, Bureau of Labor Statistics, using the reference base of 1983 = 100. In the event the reference base is changed for the purpose of publishing the CPI, the new reference base shall be converted to the reference base of 1983 = 100 in accordance with the method prescribed by the Bureau of Labor Statistics.
- 7.12 In addition to all other fees set forth in this Section, the User shall pay to

the Airport Operator a gross receipts fee of Five Percent (5%) of the gross receipts (as hereinafter defined) of the User arising during each annual period in excess of Fourteen Million Dollars (\$14,000,000.00) (hereinafter called the "annual exemption amount").

7.12.1 The term gross receipts as used herein shall mean all monies derived by User at the Space as such defined hereunder, provided, however, there shall be excluded from gross receipts for purposes of such fee:

7.12.1.1 stated by and paid by customer of User and directly remitted by User to the taxing or tax collecting authority, and

7.12.1.2 all monies paid or payable to User for the sale of aviation fuel and lubricants.

7.12.2 During any annual period of the term of the Agreement if the fees pursuant to this Section are escalated the exemption amount stipulated in subsection 7.12 hereof shall be increased by an amount equal to twenty (20) times the amount by which the basic fee or other such fee was escalated. If the escalation of such fee shall become effective other than at the end of an annual period under the Agreement, the increase in the annual exemption amount shall be increased pro rata.

8. Time of Payment and Computation of Amounts

8.1 User shall pay to the Airport Operator the monthly payments of the fee specified in the Section entitled "Fees to the Airport Operator" hereof in advance on the first (1st) day of each and every month, without tender of an invoice by the Airport Operator, until the termination of this Agreement, provided however, if this Agreement is terminated other than the last day of the month the last payment shall be the then effective monthly fee prorated in the same proportion the number of days the Agreement was effective in the last month bears to the actual number of days in said month.

8.2 For each annual period the User shall pay the gross receipts percentage fee as follows: on the twentieth (20th) day of the first (1st) month following the Effective Date and on the twentieth (20th) day of each and every month thereafter including the month following the end of the annual period, the User shall render to the Airport Operator a statement certified by User's principal financial officer showing its gross receipts for the preceding calendar month and its cumulative gross receipts from the date of commencement of the annual period for which the report is made, through the last day of the preceding calendar month; whenever any such statement shall show that the cumulative gross receipts for the annual period are in excess of the annual exemption amount, the User shall pay to

the Airport Operator at the time of rendering the statement an amount equal to Five Percent (5%) of such excess and shall on the twentieth (20th) day of each month thereafter during the annual period and the month next succeeding that annual period, pay to the Airport Operator an amount equal to Five Percent (5%) of the gross receipts of each subsequent month during the annual period. At any time that the annual exemption amount is decreased by abatement so that there is an excess of gross receipts as to which such percentage fee has not been paid the same shall be payable to the Airport Operator forthwith.

- 8.3 Upon any termination of the Agreement, even if stated to have the same effect as expiration, but in no event if termination of the Agreement is due to termination of the Basic Agreement, the User shall, within twenty (20) days of the effective date of such termination, make a payment of such percentage fees computed as follows: (1) the User shall within twenty (20) days after the effective date of termination render to the Airport Operator a statement of gross receipts certified by User's principal financial officer for the annual period in which the effective date of termination falls; and, (2) the payment when due on account of all such percentage fees for the annual period in which the effective date of termination falls shall be the excess for such percentage fees computed as follows, over the total of such percentage fee payments previously made for such annual period: Five Percent (5%) of the gross receipts of the User for such annual period which are in excess of the annual exemption amount, said annual exemption amount being multiplied by a fraction, the numerator of which shall be the number of days from the commencement of the annual period to the effective date of termination, and the denominator of which shall be three hundred sixty-five (365).
- 8.4 Nothing contained in the foregoing shall affect the survival of the obligation of the User as set forth in the Sections of this Agreement covering the survival of the User's obligations.
- 8.5 The fees specified herein shall be payable at the Office of the Manager of Teterboro Airport, 399 Industrial Avenue, Teterboro, New Jersey 07608, or such other location as may from time to time be substituted therefor.

9. Construction Payments

- 9.1 In the event that the User seeks Port Authority financing for construction of any of the hangars or other improvements the following will apply.
- 9.2 (a) The following terms as used in this Agreement shall have the respective meanings given below:

- (1) "Construction Commencement Date" shall mean the first date any contractor of the User enters upon any portion of the Space to perform any portion of the Construction Work.
- (2) "Construction Costs" shall mean the following costs actually paid by the User to the extent that the inclusion of the same is permitted by sound accounting practices consistently applied;
 - (i) amounts actually paid to independent contractors for work actually performed and labor actually furnished and materials actually delivered in connection with the performance of the Construction Work; and
 - (ii) amounts actually paid in connection with the Construction Work for engineering, architectural, professional and consulting services, construction management and supervision of construction provided, however, payments under this paragraph (a) (3) (ii) shall not exceed fifteen percent (15%) of the amounts paid under paragraph (a) (3) (i);provided and to the extent that such work is performed by the User in accordance with all the terms and provisions of (i) this Agreement and (ii) the final Construction Application (s) (including the final plans and specifications) as approved by the Port Authority pursuant to Section 3.3 of the Agreement. Notwithstanding the foregoing, the Construction Costs shall not include:
 - (i) the costs of Construction Work which although performed pursuant to an approved plan or specification is not incorporated in the final plans and specifications as approved by the Port Authority or the cost of altering such Construction Work; or
 - (ii) any amounts paid for or in connection with any trade fixtures or other personal property of the User.
- (3) "Construction Payment" shall mean each payment made by the Port Authority to the User for Construction Costs.
- (4) "Construction Payment Amount" shall mean the aggregate amount of all Construction Payments made by the Port Authority to the User at any time during the term of this Agreement pursuant to paragraph (b) of this Paragraph 15 of Supplement No. 4 to the Agreement together with the Accrued Amount accumulated thereon.

- (5) "Construction Payment Date" shall mean the date upon which each Construction Payment is made pursuant to the Paragraph.
 - (6) "Final Date" shall mean the last day of the twelfth month following the month in which the certificate of the User is delivered to the Port Authority pursuant to Section 3.6.14 of the Agreement.
- (b) The Port Authority shall reimburse the User for Construction Costs, subject to and in accordance with the terms and provisions hereinafter set forth.
- (1) On the twentieth day of the calendar month following the month in which the Construction Commencement Date occurs, and on the twentieth day of each calendar month thereafter up to and including the calendar month following the Final Date, the User shall deliver to the Port Authority a certificate which shall be signed by a responsible fiscal officer of the User, sworn to before a notary public, and shall:
 - (i) certify the amounts of actual payments made by the User and the amounts actually due and payable from the User to its independent contractors for work actually performed and labor and materials actually furnished for the Construction Work;
 - (ii) certify the amounts of actual payments made by the User and the amounts due and payable from the User in connection with the Construction Work for engineering, architectural, professional, consulting services, construction management and supervision of construction;
 - (iii) certify all due and payable amounts included by the User in previous certificates against which a Construction Payment has been made by the Port Authority to the User and which have been paid by the User since the submission of each such previous certificate, and shall have attached there to or included therein such verification as shall be required by the Port Authority, that such amounts have been paid;
 - (iv) certify the total cumulative payments made by the User from the commencement of the Construction Work to the date of each certificate;
 - (v) contain a representation by the User that the User will apply the Construction Payment only against expenses actually incurred as Construction Costs and for no other purpose whatsoever;

- (vi) certify that the amounts, payments and expenses therein set forth constitute Construction Costs;
 - (vii) certify that the work for which payment is requested has been accomplished, that the amounts requested have been paid or are due and payable to the User's contractors, and, subject to the concurrence of the Port Authority, that such work is in place and has a value of not less than the amount requested to be paid;
 - (viii) certify that each portion of the Construction Work covered by such certificate has been performed in accordance with the terms of this Agreement;
 - (ix) have attached thereto reproduction copies or duplicate originals of the invoices of such independent contractors and other persons (whether such invoices are paid or unpaid) and for such invoices which have been paid, an acknowledgement by such independent contractors and other persons of the receipt by them of such amounts and payments; and
 - (x) contain such further information and documentation with respect to the User's costs as the Port Authority may from time to time require, which information, documentation and certification shall be given on such forms as may be adopted by the Port Authority.
- (2) In addition to the foregoing, the User shall furnish to the Port Authority information concerning Construction Costs and timing of the performance of the Construction Work as may be requested by the Port Authority from time to time and at any time, including but not limited to, the following:
- (i) The User's original detailed Construction Costs projections, accompanied by a certification signed by an independent engineering consultant or independent licensed architect, to the effect that the Construction Costs projections submitted by the User are accurate, and that the same represent reasonable prices for the work in question.
 - (ii) Reports of the full-time resident engineer or licensed architect and reports of the User's chief architect, which reports or log must contain reports as to activity conducted in connection with the Construction Work for each and every day that such activity occurred from the commencement of the work to the date of submission;
 - (iii) A certification signed by the User's architect or architects certifying the value of work in place, both on and off the site; and
 - (iv) Accurate, readable and complete copies of all change

orders, extra work authorizations, design change authorizations and purchase orders in connection with the Construction Work.

(3) The User shall mark as "final" its final certificate covering the Construction Work, which certificate, with respect to amounts withheld by the User which have been deducted from a Construction Payment and which have subsequently been paid by the User, shall have attached thereto or included thereon such verification as shall be required by the Port Authority that such withheld and deducted amounts have been paid by the User and to the extent such withheld and deducted amounts have been so paid, such withheld and deducted amounts shall be included in the amount of the final Construction Payment. After submitting such final certificate the User shall submit no further certificate hereunder.

(c) Subject to the provisions of subparagraphs (c) (1) through (c) (4) hereof, within thirty (30) days after the delivery of duly submitted certificates by the User satisfying in full the requirements set forth of this Paragraph, the Port Authority shall pay to the User the amounts paid by the User as certified in such certificates, to the extent that such amounts or any portion thereof have not theretofore been included in any Construction Payment.

(1) In the event this Agreement is not in full force and effect, or the User shall be under a notice of termination of the use of the Space under this Agreement, or in default under any term or provision hereof, the Port Authority shall have the right, in its discretion, to withhold the payment of any Construction Payment to the User, provided, further, no payment or withholding of a Construction Payment shall be or be deemed to be a waiver of any rights of the Port Authority with respect to the termination of the use of the Space under this Agreement, or to a default by the User under any term or provision therefore, or to the withholding or payment of future Construction Payments, or with respect to any determination as to the usability of any item of work.

(2) It is hereby understood and agreed that nothing in this Section shall be or be deemed to be for the benefit of any contractor of the User.

(3) It is further understood that at the election of the Port Authority no payment will be made if the Port Authority's inspection or audit does not substantiate the contents of any such certificate and until such matters have been resolved to the satisfaction of the Port Authority, but the Port Authority shall have no obligation to conduct any such inspection or audit.

- (4) No Construction Payment shall be made by the Port Authority to the User until all due and payable amounts included on all previously submitted certificates have been paid by the User and the payment thereof verified to the satisfaction of the Port Authority (unless such amounts are being withheld by the User and the amount so withheld shall have been deducted from the amount of a Construction Payment).
- (d) If for any reason the construction of the Construction Work or any portion thereof is not performed in accordance with the terms and provisions of (i) this Agreement, and (ii) the Construction Application(s) (including the final plans and specifications) as finally approved by the Port Authority, it is understood and agreed that the Port Authority shall not be obligated to make any Construction Payments nor shall the Construction Payment Amount include any amount for such work or any costs in connection with the removal, restoration, modification, correction or change required to cause such work to comply with such terms and provisions, and in the event that the Port Authority shall have made a Construction Payment for such work, the Port Authority shall have the right to withhold and credit future Construction Payments against any such amount or upon demand of the Port Authority, the User shall pay to the Port Authority the amount of any such Construction Payment or portion thereof covering such work.
- (e) The entire obligation of the Port Authority under this Agreement for Construction Costs shall be limited in amount to a total sum of Five Million Dollars and No Cents (\$5,000,000.00), and limited in time to Construction Costs adequately documented and covered by certificates of the User submitted in accordance with subparagraph (b) of this Paragraph no later than the Final Date.
- (f) The User shall promptly submit to the Port Authority further information, including but not limited to its estimate of the amounts and times of the various payments it will be making for Construction Costs as the Port Authority may from time to time, and at any time, request, and shall be available itself or cause its architect or engineer to be available for consultation in connection with payment certificates submitted pursuant to subparagraph (b) of this Paragraph.
- (g) Without limiting any other provision of this Agreement, the Port Authority shall have the right at any time and from time to time by its agents, employees and representatives to audit and inspect during regular business hours the books, records and other data of the User relating to the cost of the Construction Work, it being understood that the Port Authority shall not be bound by any prior audit conducted by it. The User agrees to keep such books, records and other data within the Port of New York District.

The User shall maintain such books, records and other data for five (5) years after the User has delivered the certificate marked "final" called for under subparagraph (b) above.

- (h) If the User has included in any portion of the cost of the Construction work any item as having been incurred, but which in the opinion of the Port Authority was not so incurred, or which in the opinion of the Port Authority was not so incurred is not an item properly chargeable to such element of cost under sound accounting practice, or does not represent an appropriate division of the costs of a particular contract which are required to be designated according to time of performance or delivery, and the parties have been unable to resolve their differences within 90 days after the Port Authority gave its notice objecting to the same, the Port Authority's decision as to the nature of the items in question shall be final.
- (i) Any payment by the Port Authority which may exceed the limitation set forth in subparagraph (a) (3) (ii) shall be promptly refunded to the Port Authority upon demand. Further, in connection with the limitation set forth in subparagraph (a) (3) (ii), of this Paragraph, it is agreed that such limitation shall not be applied for the purpose of calculating the amount of a Construction Payment until the User has submitted the final certificate as hereinbefore provided, at which time such fifteen percent limitation shall be applied).

10. Additional Rental

10.1 These paragraphs related to Additional Rental are only used when the User accepts Port Authority advances for construction payments.

10.1.1 The following terms as used in this Agreement shall have the respective meanings given below:

- (1) "Monthly Additional Rental Commencement Date" shall mean the earlier occurring of (i) January 1, 2002 or (ii) the first day of the month following the month during which the Completion Date, as defined as the date a certificate of occupancy has been issued occurs.

- (2) “Monthly Additional Rental Factor” shall mean the factor or factors derived in accordance herewith from time to time by the application of the following formula:

$$1 - \frac{0.006875}{(1.006875)^n} = \text{Additional Rental Factor}$$

Where n (a power) equals the number of calendar months (expressed in whole numbers) from the Monthly Additional Rental Commencement Date to the expiration date of the Agreement.

- (3) The term “Accrued Amount” shall mean the monthly amount, calculated on the last day of each calendar month, equal to the product obtained by multiplying 0.004375 and the amount of the Construction Investment Amount (including any previously calculated Accrued Amount) during said month, for each month during the period commencing on the first Construction Advance Date and ending on the day preceding the Monthly Additional Rental Commencement Date.
- (4) The term “the Reimbursement Amount” shall mean the Construction Advance Amount and the sum of the Accrued Amount determined for the day preceding the Monthly Additional Rental Commencement Date.
- (5) The “Monthly Additional Rental Period” shall mean the period commencing on the Monthly Additional Rental Commencement Date and ending on the expiration date of the Agreement.

10.1.2 The User shall pay to the Port Authority a Monthly Additional Rental as follows:

- (1) Commencing on the Monthly Additional Rental Commencement Date, the User shall pay to the Port Authority a Monthly Additional Rental which shall be an amount determined for and payable on the first day of each and every calendar month occurring during the Monthly Additional Rental Period equal to the product obtained by multiplying the Reimbursement Amount by the Monthly Additional Rental Factor.
- (2) (i) In the event the Monthly Additional Rental Commencement Date shall precede the Final Date and the Port Authority shall make a Construction Advance or Construction Advances to the User on or after the Monthly Additional Rental Commencement Date (each such payment being a part of the Construction Advance Amount and being herein called a “Subsequent Construction Advance”), then, with respect to each such Subsequent Construction Advance, a Monthly Additional Rental Factor

shall be calculated using the formula set forth in item (2) of subparagraph (a) hereof where n (a power) shall equal the number of calendar months (expressed in whole numbers) from the date of each such Subsequent Construction Advance if such date be the first day of a calendar month, or if not then the first day of the following calendar month, to the expiration date of the Agreement.

(ii) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the User shall pay to the Port Authority on the first day of each and every calendar month during the Monthly Additionally Rental Period subsequent to the payment of each ~~Subsequent Construction Advance~~, an amount equal to the product obtained by multiplying (A) the amount of each Subsequent Construction Advance and (B) the Monthly Additional Rental Factor applicable to said Subsequent Construction Advance; such amount to be payable as a part of the Monthly Additional Rental payments to be made hereunder and to be deemed a part thereof for all purposes of the Agreement.

(iii) As a part of the payment of Monthly Additional Rental due as provided in this subparagraph (b) and in addition to the foregoing, the User shall pay to the Port Authority an amount equal to the product obtained by multiplying (A) the amount of each Subsequent Construction Advance made on other than the last day of a month, and (B) the number of days in the period from the date of such Subsequent Construction Advance is made to and including the last day of the calendar month in which such Subsequent Construction Advance is made; and (C) the quotient derived from dividing 0.006875 by 30; such amount to be payable as part of the Monthly Additional Rental payment due on the first day of the month following the month in which such Subsequent Construction Advance is made.

10.1.3 In the event that a Port Authority audit shall disclose that the User has expended Construction Costs which total less than the total of all Construction Advances made to the User hereunder up to the time of such audit then, upon demand of the Port Authority, the User shall immediately pay to the Port Authority an amount equal to the difference between the amounts expended by the User as disclosed by the Port Authority audit and the aforesaid amount of the total of all Construction Advances made to the User and effective from and after such date of payment the Construction Advance Amount shall be reduced by the amount of such payment and the Monthly Additional Rental payable by the User adjusted appropriately hereunder.

11. Care, Maintenance and Repair

- 11.1 The User shall at its own expense at all times keep the Space and all the User's fixtures, equipment and personal property which are located in any parts of the Space which are open to or visible by the general public, in a clean and orderly condition and appearance.
- 11.2 The User shall, at its own expense, repair, replace or rebuild all or any part of the Space which may be damaged or destroyed by the acts or omissions of the User or by those of its employees, customers, guests or invitees or of other persons doing business with the User.
- 11.3 User shall perform all snow removal from the Space in a manner prescribed by an annual snow removal plan which shall be submitted to the User each year, by the Airport Manager, prior to start of the snow season.
 - 11.3.1 In the event the User fails to adhere to said plan, the Airport Operator may, at its option, without notice to the User commence corrective action and charge the cost thereof to the User. The amount of such charge to constitute an item of a additional fee.
- 11.4 Except for reasonable wear which does not adversely affect the weathertight condition or structural integrity of the Space and its improvements or the proper and efficient utilization thereof, the User at its own expense shall take good care of the Space, including without limitation paved and unpaved areas, fences, skylights, steelwork, walls, partitions, floors, foundations, ceilings, columns, windows, doors, glass of every kind, plumbing, heating, lights, sewerage, drainage, water supply and electrical systems, including all pipes, wires, lines, conduits, equipment and fixtures.
- 11.5 The User shall perform all structural and nonstructural maintenance, repairs, replacements and painting at the Space, including walls, ceilings, windows, doors, floors, partitions, glass, electrical, plumbing and heater equipment and fixtures, air conditioning and ventilation equipment that service the Space, regardless of the cause of condition requiring the same, except for reasonable wear which does not adversely affect the weathertight condition or structural integrity of the Space and its improvements or the proper and efficient utilization thereof.
- 11.6 In the event the User fails to commence to so repair, replace, rebuild or paint as required above within a period of ten (10) days after notice from the Airport Operator so to do, or fails diligently to continue to complete the repair, rebuilding, replacement, or painting of all the Space required to be repaired, replaced, rebuilt or painted by the User under the terms of this Agreement, the Airport Operator may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or

paint all or any part of the Space included in the said notice, and charge the cost thereof to the User, the amount of such charge to constitute an item of additional fee.

12. Services to the User

12.1 The Airport Operator shall supply connections for water, sewerage, electricity, and gas to the Space, if applicable.

12.2 The User shall promptly pay all domestic water, electric, gas and other utility bills covering consumption by the User in the Space. In the event that any such bill or bills remains unpaid for a period of thirty (30) days after the same becomes due and payable, or in the event that any such bill remains unpaid at the expiration or earlier termination of this Agreement, the Airport Operator may pay the same and any interest or penalties thereon, and the total payment or payments at any time so made shall constitute an item of additional fee, payable to the Airport Operator upon demand..

12.3 The User agrees to heat the enclosed portion of the Space to a sufficient temperature so that plumbing, fire protection and sprinkler systems, will not be damaged by the cold.

12.4 In the event that the Borough of Teterboro, or the State of New Jersey or any other municipal subdivision, or corporation now furnishing, with or without charge therefor, any services which are beneficial to the User in its use or occupancy of the Space shall hereafter impose charges or increase existing charges for such services, the User agrees to pay the Airport Operators as an item of additional fee hereunder such of the charges or the increase in charges as may be imposed or assessed against the Airport Operator in respect of the Space of the User or its use or occupancy thereof.

12.5 The Airport Operator shall charge the User on an equitable basis for the following services:

12.5.1 Sewer usage, taking into account total usage of others on the same sewer system; and

12.5.2 Standby water charges for fire protection system, taking into account total usage of others on the same systems, if applicable; and

13. Insurance

13.1 During the term of this Agreement, the User shall, insure and keep insured to the extent of 100% of the replacement value thereof, all buildings,

structures, improvements, installations, facilities, and fixtures now or in the future located on the Space 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 Jersey 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 Jersey and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction, and also covering boiler and machinery hazards and risks and also, subject to the availability thereof, covering nuclear property losses and contamination 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.

- 13.2 For the Space known as Hangar 5, 14 and any new hangar which may be build on the Space, during the term of this Agreement, the Airport Operator shall, for the account of and expense of the User, provide, insure and keep insured to the extent of 100% of the replacement value thereof, all buildings, structures, improvements, installations, facilities, and fixtures now or in the future located on the said Hangar facilities 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 Jersey 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 Jersey and the form of extended coverage endorsement prescribed as of the effective date of the said insurance by the rating organization having jurisdiction.
- 13.3 The aforesaid insurance coverages and renewals thereof shall insure the Port Authority and the Airport Operator as their interests may appear and shall provide that the loss, if any, shall be adjusted with the Airport Operator and the Port Authority and shall be payable to the Port Authority or the Airport Operator as their interests may appear.
- 13.4 At least seven (7) days prior to the beginning of the term of this Agreement, the policies or certificates representing said insurance shall be delivered by the User to the Airport Operator and each policy or certificate delivered shall bear an endorsement obligating the insurance company to furnish the Port Authority and the Airport Operator twenty (20) days advance notice of the cancellation of the insurance evidenced by said policy or certificates or of any changes or endorsements which may be made thereon. Renewal policies or endorsements which may be made thereon. Renewal policies or certificates shall be delivered to the Airport Operator at least twenty (20) days before the expiration of the insurance

which such policies are to renew.

- 13.5 In the event the Space or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this Section, the User shall promptly notify the Airport Operator of such casualty and shall thereafter furnish to the Airport Operator such information and data as shall enable the parties to adjust the loss.
- 13.6 To the extent that any loss is recouped by actual payment to the Port Authority or the Airport Operator, of the proceeds of the insurance herein referred to above, such proceeds will be paid to the User to cover its costs of rebuilding or repairing the portion or all of the Space which has been damaged or destroyed. Such payment will be made by the Airport Operator to the User in installments if requested by the User and as work progresses provided that as to each request for payment the User shall certify by a responsible officer or authorized representative thereof that the amounts requested are due and payable to its contractor for work completed. Upon completion of all the work, the User shall certify by a responsible officer or authorized representative that such rebuilding and repairs have been completed, that all costs in connection therewith have been paid by the User and said costs are fair and reasonable and said certification shall also include as itemization of costs. Nothing herein contained shall be deemed to release the User from any of its repair, maintenance or rebuilding obligation under the Agreement. If the proceeds of any such insurance paid to the Airport Operator exceed the User's costs of rebuilding or repair, the excess of such proceeds shall be retained by the Airport Operator.
- 13.7 If there is damage or destruction to the Space covered by insurance under this Section, the User shall promptly repair, rebuild or replace the damaged or destroyed portion of the Space. If the User does not so properly proceed then the Airport Operator may repair or rebuild and may apply such proceeds of such insurance towards such repair, replacement and rebuilding, but no such application shall relieve the User of its obligations under this Agreement
- 13.8 The User, for its own protection, may separately insure at its own expense such fixtures, equipment or other personal property at the Space as its interests may appear.
- 13.9 If there is damage or destruction to the property covered under this section which occurs within the last three years of the term of the Agreement, the User may elect (in its sole discretion) not to repair, replace, or rebuild such damaged or destroyed property, in which case such obligations shall be discharged (provided the insurance applicable thereto has been maintained in full force and effect) and the entire proceeds of insurance applicable thereto shall be retained by the Airport Operator.

14. Ingress and Egress

- 14.1. The User, its customers, its contractors, suppliers of material and furnishers of services shall have the right of ingress and egress between the Space and the city streets or public ways outside the Airport by means of such pedestrian or vehicular roadways to be used in common with others having rights of passage within the Airport as may from time to time be designated by the Airport Operator for the use of the public.
- 14.2 The User shall have the right of ingress and egress between the Space and the public landing areas at the Airport by means of connecting taxiways, to be used in common with others having rights of passage thereon.
- 14.3 The use of any such roadway or taxiway shall be subject to the Rules and Regulations of the Airport which are now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport. The Airport Operator may, at any time, temporarily or permanently, close or consent to or request the closing of, any such roadway or taxiway and any other way at, in or near the Space presently or hereafter used as such, so long as a reasonable means of ingress and egress as provided above remains available to the User.
- 14.4 The User hereby releases and discharges the Port Authority, its Commissioners, officers, employees and agents; the Airport Operator, its subsidiaries and affiliates, their Directors, officers, employees and agents 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 User may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, whether within or outside the Space. The User 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 Space or in any streets or roadways near the Space.

15. Indemnity, Liability Insurance

- 15.1 The User shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives; and, except for the gross negligence of the Airport Operator, the Airport Operator, its subsidiaries and affiliates, their Directors, officers, employees and agents (to include reasonable attorney's and other professional fees) from and against all claims and demands of third persons, including, but not limited to, claims and demands for death or personal injury or for property damage arising out of the use and occupancy of the Space by the User or out of any other acts or omissions of the User, its officers, employees on

the Space or out of the acts or omissions of others on the Space with the consent of the User whether or not such claims, demands, causes of action, liabilities, etc., are made or asserted before or against termination or expiration of this Agreement.

- 15.2 In addition to the obligations set forth in the subsection immediately above, the User, in its own name as assured, shall maintain and pay the premiums on the following described policies of comprehensive public liability insurance and automobile liability insurance which shall cover its operations hereunder and shall be effective throughout the term in limits not lower than the following:
 - 15.2.1 Combined single limit of \$75,000,000 for bodily injury and property damage.
 - 15.2.2 In addition to the obligations set forth in the above subsections, the User in its own name as assured shall maintain personal property insurance covering loss or damage to its property on or at the Space. Such policy shall be in an amount to cover maximum exposure at any time.
 - 15.2.3 The User in its own name as assured shall maintain and pay the premium for a policy of hangar-keeper's legal liability insurance covering loss or damage to aircraft or aircraft parts belonging to others and which are on the Space in the custody of the User for storage, parking, repair, servicing or safekeeping. Such policy shall be in an amount sufficient to cover maximum exposure at any time, but in no event less than \$50,000,000 per loss.
- 15.3 The Airport Operator and the Port Authority shall be named as an additional insured in any policy of insurance required above.
- 15.4 As to any insurance required by the provisions of this Agreement to be obtained by or at the direction of the User, a certified copy of each of the policies or certificates evidencing the existence thereof, or binders, together with evidence of the payment of the premium thereon, shall be delivered to the Airport Operator within fifteen (15) days prior to occupancy by User of the Space. In the event any binder is delivered, it shall be replaced within thirty (30) days by a certified copy of the policy or a certificate. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed or modified without giving twenty (20) days' written advance notice thereof to the Airport Operator. A renewal policy shall be delivered to the Airport Operator at least twenty (20) days prior to the expiration date of each expiring policy, except for any policy expiring after the date of expiration of the term. If at any time any of the policies shall be or become unsatisfactory to the Airport Operator as to form or substance or if

any of the carriers issuing such policies shall be or become unsatisfactory to the Airport Operator, the User shall promptly obtain a new and satisfactory policy in replacement.

16. Various Obligations of the User

16.1 The User shall conduct its operations in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Space on the Airport. The User shall take all reasonable measures:

16.1.1 to eliminate vibrations tending to damage any equipment, structure, building or portion of a building which is on the Space, or is a part thereof, or is located elsewhere on the Airport, and

16.1.2 to keep the sound level of its operations within acceptable limits as determined by the Airport Operator.

16.2 The User shall control the conduct, demeanor and appearance of its employees and invitees and of those doing business with it, and upon reasonable objection from the Airport Operator concerning the conduct, demeanor or appearance of any such shall immediately take all lawful steps necessary to remove the cause of the objection. If the Airport Operator shall so request, the User agrees to supply and 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 Manager of the Airport.

16.3 It is the intent of the parties hereto that noise caused by aircraft engine operation shall be held to a minimum. To this end the User will conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof to a minimum by such methods as are practicable, considering the extent and type of the operations of the User. In addition, the User will employ the maximum reasonable amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of the operations of the User. In its use of the Space, the User shall take all possible care, caution and precaution and shall use its best efforts to minimize prop or jet blast interference to aircraft operating on or to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Space. In the event the Airport Operator determines that the User has not curbed the prop or jet blast interference, as set forth above, the User hereby covenants and agrees to erect and maintain at its own expense such structure or structures as may be necessary to prevent prop or jet blast interference subject, however, to the prior written approval of the Airport Operator as to type, manner and method of construction.

- 16.4 The User shall daily remove from the Space by means of facilities provided by User all garbage, debris and other waste materials arising out of or in connection with its operations hereunder, and any such not immediately removed shall be temporarily stored in a clean and sanitary condition in suitable garbage and waste receptacles, the same to be made of metal and equipped with tight-fitting covers, and to be of a design safely and properly to contain whatever material may be placed therein, said receptacles being provided and maintained by the User. The receptacles shall be kept covered except when filling or emptying the same. The User shall exercise extreme care in removing such garbage, debris and other waste materials from the Space. The manner of such storage and removal shall be subject in all respects to the continual approval of the Airport Operator. No facilities of the Airport shall be used for such removal unless with the Airport Operator' prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Space, unless such disposal is pursuant to an approved discharge permit issued by Federal, state, county or local government.
- 16.5 It is intended that the standards and obligations imposed by this Section shall be maintained or complied with by the User in addition to its compliance with all applicable Federal, State and Municipal laws, ordinances and regulations, and in the event that any of said laws, ordinances and regulations shall be more stringent than such standards and obligations, the User agrees that it will comply with such laws, ordinances and regulations in its operations hereunder. Changes in such laws or regulations are not grounds for termination of this Agreement.
- 16.6 The User shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, orders and directions of the National Fire Protection Association and the Fire Insurance Organization of New Jersey or of any other board or organization exercising or which may exercise similar functions which may pertain or apply to the operations of the User on the Space and the User shall, subject to and in accordance with the provisions of this Agreement relating to construction by the User, make any and all structural or nonstructural improvements, alterations or repairs of the Space that may be required at any time hereafter by any such present or future rule, regulation, requirement, order or direction. If by reason of any failure on the part of the User to comply with the provisions of this Section, any fire insurance, extended coverage or other insurance rate on the Space or any part thereof, or on the Airport or any part thereof, shall at any time be higher than it otherwise would be, then the User shall pay to the Airport Operator that part of all premiums paid by the Airport Operator which shall have been charged because of such violation or

failure by the User.

- 16.7 In connection with the conduct of User's business the User shall:
- 16.7.1 use its best efforts in every proper manner to maintain, develop and increase the business conducted by it hereunder;
 - 16.7.2 not to divert, or cause or allow to be diverted, any business from the Airport;
 - 16.7.3 maintain in accordance with accepted accounting practice during the term hereof User's records and books of account recording all transactions at, through or in anywise connected with the Airport which records and books of account shall be kept at all times at the User's place of business at the Airport;
 - 16.7.4 permit in ordinary business hours during the term hereof and for one (1) year thereafter the examination and audit, on a non disclosure basis, by the officers, employees or representatives of the Airport Operator of such records and books of account and also any records and books of account of any company owned or controlled by the User if said Company performs services similar to those performed by the User anywhere at the Airport.
- 16.8 In addition to compliance by the User with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term of the use hereunder which as a matter of law are applicable to the operation, use or maintenance by the User of the Space or the operations of the User under this Agreement (the foregoing not to be construed as a submission by the Airport Operator or the Port Authority to the application to itself of such requirements or any of them), the User agrees that it shall conduct all its operations under this Agreement and shall operate, use and maintain the Space in accordance with a high standard 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 Space by the User and from the operations of the User under this Agreement. The Airport Operator hereby reserves the right from time to time and at any time during the term of this Agreement to require the User, and the User agrees to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objectives as set forth in the first sentence of this paragraph. All locations, the manner, type and method of construction and the size of any of the foregoing shall be determined by the Airport Operator. The User shall submit for the Airport Operator approval a

Construction Application together with its plans and specifications covering the required work and upon receiving such approval shall proceed diligently to construct the same.

16.8.1 The obligations assumed by the User under the above paragraph 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 Airport Operator or 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 Airport Operator' or the Port Authority's recommendations or requirements and notwithstanding that the Airport Operator and the Port Authority may have at any time during the term of the Agreement consented to or approved any particular procedure or method of operation which the User may have proposed, or the Airport Operator or the Port Authority may have itself prescribed the use of any procedure or method. The agreement of the User to assume the obligations under the above paragraph is a special inducement and consideration to the Airport Operator in entering into this Agreement with the User.

16.9 The User shall be solely responsible for compliance with the provisions of this Section and no act or omission of the Airport Operator shall relieve the User of such responsibility. Both User and the Airport Operator shall use their best efforts to notify the other party of any rules, regulations, orders, of which they may become aware.

16.10 The following terms shall have the following respective meanings as used herein:

16.10.1 "Environmental Damages" shall mean any one or more of the following: (i) the presence on, about or under the Space of any Hazardous Substance, as hereinafter defined, and/or (ii) the disposal, release or threatened release of any Hazardous Substance from the Space, and/or (iii) an Off-Space Hazardous Substance, as hereinafter defined, and/or (iv) any personal injury (including wrongful death) or property damage arising out of or related to such Hazardous Substances, and/or (v) the violation of any Environmental Requirements, as hereinafter defined, pertaining to such Hazardous Substances or Off-Space Hazardous Substances, the Space and/or the activities thereon.

16.10.2 "Environmental Requirements" and "Environmental Requirement" shall mean all applicable present and future laws, statues, enactments, resolutions, regulations, rules, ordinances, codes, licenses, permits, orders (including agreed upon consent orders), approvals, plans, authorizations, concessions, franchises, requirements and similar items, of all Governmental Agencies, and all applicable judicial, administrative, and

regulatory decrees, judgments, and orders relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, as among the various Governmental Agencies, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance taking into account the nature and intended use of the Space, the foregoing to include without limitation:

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

(b) All Environmental Requirements pertaining to the protection of the health and safety of employees or the public.

16.10.3 “Hazardous Substances” and “Hazardous Substance” shall mean and include without limitation any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or 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 Environmental Requirement.

16.10.4 “Off-Space Hazardous Substance” shall mean the presence of any Hazardous Substance in, about or under property at the Airport other than the Space as a result of the User’s use and occupancy of the Space, whether by migration, release, discharge or any other manner, it being understood that the User shall have the burden of proof to establish that any migration of a Hazardous Substance from the Space was not a result of the User’s use and occupancy of the Space.

16.11 The User agrees to assume all responsibility for all damages, costs, and expenses of any kind incurred by the Airport Operator or Port Authority caused by the negligent or willful actions of the User, its employees or contractors on the Space or which occur directly as a result of any leak, spill or other discharge of aviation petroleum hydrocarbons or Hazardous Substance(s) which is regulated by any federal, state or local governmental authority from tanks and lines owned or controlled by the

User, on the Space and which was caused by the negligent or willful actions of the User, its employees, or contractors, and provided such leak, spill or discharge occurs during the period the User occupied the Space and owned or controlled any tanks and lines on the Space. It is expressly agreed that the foregoing shall not be applicable to any loss, claim, damage or liability arising from any contractual obligations of any third party which the Airport Operator or the Port Authority may assume, shall not be applicable to any damages or losses arising from loss of profits or business opportunity, or any other special or consequential damages, nor shall it be applicable to any attorneys' fees or any fine or penalties levied upon the Airport Operator or the Port Authority. Further, the foregoing shall be applicable only to leaks, spills or discharges which result in a level of contamination exceeding standards required by applicable authorities as of the date of the commencement of this Use and Occupancy Agreement No. TA-304 and shall inure only to the Airport Operator or the Port Authority and not to any assigns or successors or to any other person or entity.

17. Prohibited Acts

17.1 The User shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food or of any vending machines or device designed to dispense or sell merchandise or services of any kind to employees or the public, except that User may, for the benefit of its employees, customers, guests and visitors install coin operated vending machines or services for the dispensing and sale of the following:

17.1.1 Hot and cold packaged foods;

17.1.2 Hot and cold beverages;

17.1.3 Candy and chewing gum;

17.1.4 Tobacco and tobacco products;

17.1.5 Newspapers and periodicals;

17.1.6 Telephone services (pay stations) (hereinafter called "vending machines").

17.2 If User, installs or causes to be installed, vending machines on the Space for the limited sale of merchandise or services permitted hereunder, User shall have the right to retain the revenues derived therefrom, provided, however, that:

17.2:1 The User shall itself, and shall also require its contractors, to indemnify

and hold harmless the Airport Operator, its subsidiaries and affiliates, their Directors, officers, agents and employees and the Port Authority, its Commissioners, officers, agents and employees from and against all claims and demands of third persons, including employees, (to include reasonable attorney and other professional fees) officers and agents of the Airport Operator and the Port Authority arising or alleged to arise out of the installation, operation or maintenance of the User's vending machines (or consumable obtained therefrom) or arising or alleged to arise out of any actual or alleged infringement of any patent, trademark or copyright or any alleged or actual unfair competition in any wise connected with the operation of the User's vending machines whether or not such claims, demands, causes of action, liabilities, etc. are made or asserted before or after termination or expiration of this Agreement.

- 17.3 The limited right to install, operate and maintain vending machines granted to User herein may be terminated by the Airport Operator at any time during the term of this Agreement upon ninety (90) days' notice to the User and the Airport Operator, at any time thereafter, may substitute for the User's vending machines other machines selling similar merchandise or services operated by the Airport Operator or by its permittee or concessionaire and thereupon User shall remove its machines.
- 17.4 Upon installation by the Airport Operator or by its permittee or concessionaire of vending machines in substitution of User's vending machines, all revenues derived therefrom shall be retained by the Airport Operator.
- 17.5 Upon rendering of notice to User of termination of the right to operate vending machines, the Airport Operator may elect to permit User's vending machines to remain, but in such case, User shall pay or cause to be paid to the Airport Operator each month for each machine upon the same basis for the preceding month as any permittee or concessionaire of the Airport Operator then operating machines at the Airport for sale to the general public of similar merchandise or rendering of similar services.
- 17.6 The termination by the Airport Operator of the limited right of User to install vending machines at the Space shall be nondiscriminatory in that similar rights granted to other Users at the Airport shall be terminated concurrently therewith, and in the exercise of such right by the Airport Operator User shall not be entitled to assert any claim or institute any action or proceeding at law or in equity to assert any claim on account thereof whether for loss, damages or loss of revenue, consequential or otherwise.
- 17.7 The User shall not overload any floor or paved area on the Space and shall repair any floor including supporting members and any paved area

damaged by overloading.

17.8 The User shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the utility, mechanical, electrical, drainage and sewer systems, fire-protection system and other systems installed or located on or in the Space.

17.9 The User shall not commit any nuisance or permit its employees or others on the Space with its consent to commit or create or continue or tend to create any nuisance on the Space or in or near the Airport.

17.10 The User shall not cause or permit to be caused or produced upon the Space, to permeate the same or to emanate therefrom, any unusual, noxious or objectionable smokes, gases, vapor or odors.

17.11 The User shall not do or permit to be done any act or thing upon the Space which:

17.11.1 will invalidate or conflict with any fire insurance policies covering the Space or any part thereof, or the Airport or any part thereof; or

17.11.2 which, in the opinion of the Airport Operator, may constitute an extrahazardous condition so as to increase the risks normally attendant upon the operations permitted by this Agreement; or

17.11.3 which will increase the rate of any fire insurance, extended coverage or other insurance on the Airport or any part thereof or upon the contents of any building or structure thereon.

17.12 Except persons who have been granted valid permits and/or permission from the Airport Operator, User shall not permit, foster or allow on the Space any persons not related to the User who are:

17.12.1 doing maintenance work on aircraft not owned or operated solely by said persons,

17.12.2 giving flight instruction of any sort unless such persons are members of User's flight instruction staff, or

17.12.3 conducting air taxi, aircraft charter or aircraft leasing of any sort.

18. Rules and Regulations

18.1 User shall observe and obey and shall compel others on the Space and those doing business with it with respect to the Space to observe and obey such Rules and Regulations of the Airport as are now in effect or as may

be promulgated from time to time for the government and conduct of operations of the Airport for reasons of safety, health or preservation of property, for the good and orderly appearance of the Space and for the safe and efficient operation and use of the Space. If a copy of the Rules and Regulations is not attached, then the Airport Operator will make a copy thereof available to the User at the office of the Manager of Teterboro Airport.

19. Signs

19.1 Except with the prior written approval of the Airport Operator, the User shall not erect, maintain or display any advertising, signs or similar devices at or on the Space.

19.2 Upon demand by the Airport Operator, the User shall remove, obliterate or paint out any and all advertising, signs and similar devices placed by the User on the Space or elsewhere on the Airport without the prior approval of the Airport Operator. In the event of a failure on the part of the User so to remove, obliterate or paint out each and every sign or piece of advertising and so to restore the Space and the Airport, the Airport Operator may perform the necessary work and the User shall pay the costs thereof to the Airport Operator on demand.

20. Assignment

20.1 The User agrees that it will not grant the right of sub-use, sell, convey, transfer, assign, mortgage or pledge this Agreement or any part thereof or any rights granted thereby without the prior written consent of the Airport Operator. The Airport Operator may grant or withhold such consent solely in its discretion for any reason..

20.2 If the User assigns, sells, conveys, transfers, mortgages, pledges, or grants the right of sub-use under this Agreement in violation of the foregoing provisions of this Section, or if the Space is occupied by anyone other than the User, the Airport Operator may collect from any assignee, sub-user or anyone who claims a right to this Agreement or who occupies the Space any charges or fees payable by said assignees, sub-user or other user and no such payment shall be deemed a waiver by the Airport Operator of the covenants or agreements contained in this Section nor of acceptance by the Airport Operator of any assignee, claimant or occupant, nor as a release of the User by the Airport Operator from the further performance by the User of the agreements contained herein including but not limited to the payment of fees.

20.3 In the event that the User enters into a sub-use agreement, with the consent of the Airport Operator for the use and occupancy of the entire Space,

User agrees to pay to the Airport Operator an amount equal to forty-five percent (45%) of any fees paid by the sub-user to the User in excess of the fees due to the Airport Operator under Section 7 of the Agreement, after deduction of a monthly administrative fee of ten percent (10%) of the excess fee or Two Hundred and Fifty Dollars (\$250.00), whichever is lower.

21. Condemnation

- 21.1 The User, in any action or proceeding instituted by any governmental agency or agencies for the taking for a public use of any interest in all or any part of the Space, shall not be entitled to assert any claim to any compensation or award or part thereof made or to be made therein or therefor, or to institute any action or proceeding or to assert any claim against such agency or agencies or against the Port Authority or the Airport Operator, or its subsidiaries and affiliates for or on account of any such taking (except the possible claim to an award for loss of the User's removable fixtures), it being understood and agreed between the Airport Operator and the User that the Airport Operator shall be entitled to all the compensation or awards made or to be made or paid for in such taking, free of any claim or right of the User.
- 21.2 In the event of a taking of the entire Space by any governmental agency or agencies, then this Agreement shall be cancelled as of the date possession is taken from the Port Authority by the agency or agencies, and shall cease and expire in the same manner and with the same effect as if the Agreement had on that date expired. The Airport Operator shall provide User such advance notice as practicable.
- 21.3 In the event that all or any portion of the Space is required by the Port Authority to comply with any present or future governmental law, rules, regulation, requirement, order or direction, the Airport Operator may by notice given to the User terminate the Agreement with respect to all or such portion of the Space so required. Such termination shall be effective on the date specified in the notice. The User hereby agrees to deliver possession of all or such portion of Space so required upon the effective date of such termination.
- 21.3.1 No taking by or conveyance to any governmental authority as described above nor any delivery by the User nor taking by the Port Authority pursuant to this subsection shall be or be construed to be a breach of this Agreement or be made the basis of any claim by the User against the Port Authority or the Airport Operator or its subsidiaries and affiliates for damages, consequential or otherwise.

22. Non-Discrimination

- 22.1 Without limiting the generality of any of the provisions of this Agreement, the User, 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 sex, race, color, creed or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Space, (2) that in the construction of any improvement on, over, or under the Space and the furnishing of services thereon, no person on the grounds of sex, race, color, creed or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination, (3) that the User shall use the Space in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the User's operations thereat, whether by reason of agreement between the Airport Operator and the United States Government or otherwise.
- 22.2 The User 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 User 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 User assures that it will require that its covered suborganization provide assurances to the User 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.
- 22.3 The User shall include the provisions of the above subsections in every agreement or concession pursuant to which any person or persons, other than the User, operates any business or facility in or at the Space providing services to the public and shall also include therein a provision granting the Airport Operator a right to take such action as the United States may direct to enforce such covenant.
- 22.4 The User's noncompliance with the provisions of this Section shall constitute a material breach of the Agreement. In the event of the breach by the User of any of the above nondiscrimination provisions, the Airport Operator may take any appropriate action to enforce compliance; or in the

event such noncompliance shall continue for a period of twenty (20) days after receipt of written notice from the Airport Operator, the Airport Operator shall have the right to terminate this Agreement with the same force and effect as a termination under the Section of the Agreement providing for termination for default by the User in the performance or observance of any other term or provision of the Agreement; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Airport Operator may take such action as the United States may direct.

22.5 The User shall indemnify and hold harmless the Airport Operator, its subsidiaries and affiliates and the Port Authority (to include reasonable attorney's and other professional fees) from any claims and demands of third persons including the United States of America resulting from the User's noncompliance with any of the provisions of this Section and the User shall reimburse the Airport Operator and the Port Authority for any loss or expense incurred by reason of such noncompliance, whether or not such claims, demands, causes of action, liability, etc., are made or asserted before or after termination or expiration of this Agreement.

22.6 Nothing contained in this Section shall grant or shall be deemed to grant to the User the right to transfer or assign the Agreement, to make any agreement or concession of the type mentioned in this Section, or any right to perform any construction on the Space.

23. Minority Business Enterprises

23.1 In accordance with the construction required in Section 5 of the Agreement, the User hereby agrees to use its reasonable efforts to ensure that minority business enterprises (M.B.E.) and women-owned business enterprises (W.B.E.) as defined in 49 CFR Part 23 have the maximum opportunity to participate in said construction. The participation goal for M.B.E. and W.B.E. participation in the total contract price shall be twelve percent (12%) for firms owned and controlled by minorities and five percent (5%) for firms owned and controlled by women.

24. Right to Recapture Portions of User's Ramp Space

24.1 The User acknowledges that the Airport serves the needs of the public and that the Public Aircraft Facilities should be utilized to the fullest extent possible with airport users afforded fair and reasonable access. The User also acknowledges that the following subsections provide that if the User does not utilize its facilities to the level set forth in stated performance criteria such underutilized facilities may be either recaptured by the Port Authority or required to be offered by the User to another user in accordance with the following:

24.2 It is hereby agreed that, commencing on January 1, 2001, which will be known as the "Start Date", and for each and every calendar year thereafter, the Port Authority may ascertain the User's percentage share (hereinafter referred to as the "User's Current Fuel Share") of the total aircraft fuel gallons sold (hereinafter referred to as "Total Current Fuel Dispensed") at the Airport for the preceding calendar year. The fuel dispensed by the User for the year preceding the Start Date and the year preceding each and every calendar year thereafter during which such calculation is made shall be known as the "User's Current Fuel Dispensed". The User's Current Fuel Share shall be calculated by dividing the User's Current Fuel Dispensed by the Total Current Fuel Dispensed preceding the year during which such calculation is made. The User's Current Fuel Share for the calendar year 1998 shall hereinafter be defined as "the Base Year's Fuel Share" and is shown below:

<u>Teterboro Airport User</u>	<u>Fuel Share in 1998</u>
Atlantic Aviation Corporation	17.8%
First Aviation Services, Inc.	16.5%
Jet Aviation of America, Inc.	34.4%
General Aviation Aircraft Services, Inc. (doing business as Million Air-Teterboro)	17.0%
Signature Flight Support-New Jersey, Inc.	14.3%

24.3 As of the Start Date and as of January 1st of each succeeding calendar year, in the event that the User's Current Fuel Share for the respective preceding calendar year is determined to be at least twelve and one half percent (12.5%) less than the User's Base Year Fuel Share, the Port Authority shall have the right but not the obligation, upon two (2) month's written notice to the User, to require the User and the User hereby agrees to make ramp space (hereinafter called "Accommodation Space") available to other users, sub-users or the Port Authority in useable increments as directed by the Port Authority in the amount and in the manner and to the extent set forth below:

<u>Percentage of User's Current Fuel Share Divided by User's Base Year Fuel Share</u>	<u>Ramp Space to be Made Available</u>
87.5% (12.5% reduction or greater)	Up to 20% of Total
75.0% (25% reduction or greater)	Up to 50% of Total
50.0% (50% reduction or greater)	Up to 100% of Total

24.4 In the event the User is so notified by the Port Authority it shall either (a) enter into a sub-use and occupancy agreement with another user as determined by the Port Authority or (b) enter into a surrender agreement

as directed by the Port Authority. Any such sub-use and occupancy agreement shall be subject to the prior and continuing approval of the Port Authority and the execution by and among the User, the Sub-user, the Airport Operator, and the Port Authority of a Consent Agreement in form satisfactory to the Port Authority. Moreover, and without limiting the foregoing, the User shall provide any and all information to the Airport Operator as may be requested by the Airport Operator from time to time as to all aspects of its accommodation of Sub-user hereunder. Nothing contained herein shall in any way affect the discretion of the Airport Operator or the Port Authority in granting or withholding its consent to a sub-use and occupancy agreement.

- 24.5 The failure of the Port Authority to exercise its right under this Section during any year in which it may have such a right shall not affect, waive, or limit its rights to exercise such right in any subsequent year during any period of underutilization. In no event will the Accommodation Space exceed the percentages set forth above.
- 24.6 The User shall make such ramp space available during the period set forth in the aforesaid notice. The Port Authority shall consider a request by the User to restore the Accommodation Space to the User when the User's Current Fuel Share shall have returned to within twelve and one half percent (12.5 %) or less of the User's Base Year Fuel Share, provided the Accommodation Space is not then covered by a sub-use or other agreement or at such time as the Port Authority deems it is in the best interest of the Airport to restore the Accommodation Space to the User
- 24.7 The User agrees that all handling, sublease, sub-use and occupancy agreements shall be at reasonable and at non-discriminatory rates, fees and charges and shall be based on the recovery by the User of a pro rata share of the User's costs of (1) operation and maintenance, (2) services provided, and (3) the User's fees and investment in the Accommodation Space.

25. Governmental Requirements

- 25.1 The User shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the User's operations at the Space which may be necessary for the User's operations thereat.
- 25.2 The User shall pay all taxes, license, certification, permit and examination fees and excise which may be assessed, levied, exacted or imposed on the Space or operation hereunder or on the gross receipts or income to User therefrom, and shall make all applications, reports and returns required in connection therewith.

- 25.3 The Airport Operator has agreed by a provision in its agreement with the Port Authority covering the Airport to conform to the enactments, ordinances, resolutions and regulations of various governmental authorities having jurisdiction of the Airport and of their various departments, boards and bureaus in regard to construction and maintenance of buildings and structures and in regard to health and fire protection. The User shall, within forty-eight (48) hours after its receipt of any notice of violation, warning notice, summons or other legal process for the enforcement of any such enactment, ordinance, resolution or regulation, deliver the same to the Airport Operator. Unless otherwise directed in writing by the Airport Operator because the same is inapplicable, the User shall conform to such enactments, ordinances, resolutions and regulations insofar as they relate to, in fact cover, the operations of the User at the Space. In the event of compliance with any such enactment, ordinance, resolution or regulation on the part of the User, acting in good faith, commenced after such delivery to the Airport Operator but prior to the receipt by the User of a written direction from the Airport Operator, such compliance shall not constitute a breach of this Agreement, although the Airport Operator thereafter notifies the User to refrain from such compliance.
- 25.4 The User shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the User's operations at the Space. Any notice received by the Airport Operator shall be related to User as soon as practicable.
- 25.5 The User's obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Space.

26. Rights of Entry Reserved

- 26.1 The Port Authority, by its officers, employees, agents, representatives and contractors and the Airport Operator and its subsidiaries and affiliates by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Space for the purpose of inspecting the same, for observing the performance by the User of its obligations under this Agreement and for the doing of any act or thing which the Port Authority or the Airport Operator may be obligated or have the right to do under this Agreement, or otherwise. In the event of a question of a contractors authority, the User shall contact the Airport Operator.
- 26.2 Without limiting the generality of the foregoing, the Airport Operator and

its subsidiaries and affiliates, by its officers, employees, agents, representatives and contractors and by the employees, agents, representatives and contractors of any furnisher of utility services in the vicinity, shall have the right, for its own benefit, for the benefit of the User, or for the benefit of others than the User at the Airport, to maintain existing and future utilities systems or portions thereof on the Space, including therein, without limitation thereto, systems for the supply of heat, water, gas, fuel, electricity and for the furnishing of fire-alarm, fire-protection, sprinkler, sewerage, drainage, telegraph and telephone services, including all lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to such systems, and to enter upon the Space at all reasonable times to make such repairs, replacements or alterations as may, in the opinion of the Airport Operator, be deemed necessary or advisable and, from time to time to construct or install over, in or under the Space new systems or parts thereof, including lines, pipes, mains, wires, conduits and equipment; provided, however, that in the exercise of such rights of repair, alteration or new construction the Airport Operator shall not unreasonably interfere with the use and occupancy of the Space by the User.

26.3 The exercise of any or all of the foregoing rights by the Port Authority, the Airport Operator or others shall not be or be construed to be an eviction of the User nor be made the grounds for any abatement of fees, nor any claim or demand for damages, consequential or otherwise.

26.4 Nothing in this Section shall impose or shall be construed to impose upon the Airport Operator or the Port Authority any obligation so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure so to do.

27. Basic Agreement

27.1 In the event the Basic Agreement is terminated, revoked, cancelled or expires, this Agreement shall terminate on the day preceding such date the same as if such preceding date were the expiration date of the term of this Agreement and such termination, revocation, cancellation or expiration of the Basic Agreement shall not be deemed a breach of this Agreement.

28. Patents, Trademarks

28.1 The User represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in anywise connected with this Agreement. The User agrees to indemnify and to save and hold the Port Authority, the Airport Operator, its subsidiaries and affiliates, their Commissioners, Directors, officers, employees, agents and representatives

free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the User under or in anywise connected with this Agreement, whether or not such claims, demands, causes of action, liabilities, etc., are made or asserted before or after termination or expiration of this Agreement and to include reasonable attorney's and other professional fees.

29. Additional Fees and Charges

29.1 If the Airport Operator is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the User to perform or fulfill any one or more of the conditions or agreements contained in this Agreement, or as a result of an act or omission of the User contrary to the said conditions and agreements, the User agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of fees thereafter due hereunder, and each and every part of the same shall be and become additional fees, recoverable by the Airport Operator in the same manner and with like remedies as if they were originally a part of the Fees as set forth in the Section entitled "Fees to the Airport Operator" hereof.

30. Right of Re-Entry

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

31. Surrender

31.1 The User covenants and agrees to yield and deliver peaceably to the Airport Operator possession of the Space on the date of cessation of the Agreement, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, except for reasonable wear which does not cause or tend to cause deterioration of the improvements or adversely affect the efficiency or proper utilization thereof.

32. Termination by the Airport Operator

- 32.1 Upon the occurrence of any of the following events or at any time thereafter during the continuance thereof, the Airport Operator may terminate the rights of the User under this Agreement upon five (5) days' written notice, such termination to be effective upon the date specified in such notice:
- 32.1.1 The User shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or
 - 32.1.2 By order of decree of a court the User shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors or, if the User is a corporation, by any of the stockholders of the User, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or
 - 32.1.3 A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the User and shall not be dismissed within thirty (30) days after the filing thereof; or
 - 32.1.4 Except as may be provided in the Section of this Agreement entitled "Assignment," the interest of User under this Agreement shall be transferred to, passed to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or
 - 32.1.5 The User, if a corporation, shall, without the prior written approval of the Airport Operator, become a successor or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution, except as it applies to affiliated and subsidiary companies; or
 - 32.1.6 By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the Space of the User and such possession or control shall continue in effect for a period of twenty (20) working days; or

- 32.1.7 The User shall voluntarily abandon, desert or vacate the Space or discontinue its operations at the Airport, or, after exhausting or abandoning any right of further appeal, the User shall be prevented for a period of sixty (60) days by action of any governmental agency having jurisdiction thereof, from conducting its operations at the Airport, regardless of the fault of the User; or
- 32.1.8 Any lien is filed against the Space because of any act or omission of the User and is not removed within forty-five (45) days after notice to the User thereof; or
- 32.1.9 The User shall fail duly and punctually to pay the fees or to make any other payment required hereunder when due to the Airport Operator and shall persist in its failure for a period of ten (10) days following the receipt of written notice of such default from the Airport Operator; or
- 32.1.10 The User shall fail to keep, perform and observe each and every material promise and agreement set forth in this Agreement on its part to be kept, performed, or observed, within twenty (20) days after receipt of notice of default thereunder from the Airport Operator (except where fulfillment of its obligation requires activity over a period of time, and the User shall have commenced substantially to perform whatever may be required for fulfillment within ten (10) days after receipt of notice and continues diligently such substantial performance without interruption except for causes beyond its control); or
- 32.1.11 There shall be an occurrence of any of the events of default resulting in termination of any other use and occupancy agreements or permits between the User and the Airport Operator at the Airport.
- 32.2 If any of the events enumerated in the above subsections of this Section shall occur prior to the effective date of this Agreement, the User shall not be entitled to enter into possession of the Space, and the Airport Operator upon the occurrence of any such event, or at any time thereafter during the continuance thereof by twenty-four (24) hours' notice may cancel this Agreement, such cancellation to be effective upon the date specified in such notice.
- 32.3 No acceptance by the Airport Operator of fees, charges, or other payments in whole or in part for any period or periods after a default of any of the terms, agreements and conditions hereof to be performed, kept or observed by the User shall be deemed a waiver of any right on the part of the Airport Operator to terminate this Agreement.
- 32.4 No waiver by the Airport Operator of any default on the part of the User in performance of any of the terms, covenants or conditions hereof to be

performed, kept or observed by the User shall be or be construed to be a waiver by the Airport Operator of any other or subsequent default in performance of any of the valid terms, agreements and conditions.

- 32.5 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 Airport Operator would have at law or in equity consequent upon any breach of this Agreement by the User, and the exercise by the Airport Operator of any right of termination shall be without prejudice to any other such rights and remedies, except that in the event of termination pursuant to the portion of the subsection above of this Section reading "after exhausting or abandoning any right of further appeal, the User shall be prevented for a period of sixty (60) days by action of any governmental agency having jurisdiction thereof, from conducting its operations at the Airport, regardless of the fault of the User," the sole right of the Airport Operator shall be a right of termination.

33. Survival of the Obligations of the User

- 33.1 In the event that the Agreement shall have been terminated in accordance with a notice of termination as provided in the Section entitled "Termination by the Airport Operator" hereof, or in the event that the Airport Operator has re-entered, regained or resumed possession of the Space in accordance with the provisions of the Section entitled "Right of Re-Entry" hereof, all the obligations of the User under this Agreement shall survive such termination or cancellation, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Airport Operator 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 Airport Operator 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, for the entire unexpired term of the Agreement.
- 33.2 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 User's Fee obligations, shall be the sum of the following:
- 33.2.1 The amount of the total of all installments of fees pursuant to the Section entitled "Fees to The Airport Operator" hereof, 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 (1st) day of the month in which the termination is effective shall be prorated for the part of the month the Agreement remains in effect on the basis of the total days in

the month; and an amount equal to all reasonable expenses incurred by the Airport Operator in connection with regaining possession, restoring the Space, acquiring a User for the Space, legal expenses (including but not limited to reasonable attorney's fees), putting the Space in order including, without limitation to, cleaning, redecorating (on failure of the User to restore), maintenance and brokerage fees.

34. Use Subsequent to Cancellation or Termination

- 34.1 The Airport Operator, upon termination or cancellation pursuant to the Section entitled "Termination by the Airport Operator" of this Agreement, or upon any re-entry, regaining or resumption of possession pursuant to the Section entitled "Right of Re-Entry" of this Agreement, may occupy the Space or may enter into an agreement with another User and shall have the right to permit any person, firm or corporation to enter upon the Space and use the same. Such use may be part only of the Space or of the entire Space 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 Airport Operator, at its own expense, shall also, upon said termination or cancellation, or upon said re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Space, including changes which alter the character of the Space and the suitability thereof for the purposes of the User under this Agreement, without affecting, altering or diminishing the obligations of the User hereunder.
- 34.2 In the event either of use by others or of any actual use and occupancy by the Airport Operator, there shall be credited to the account of the User against its survived obligations hereunder any net amount remaining after deducting from the amount actually received from any User, licensee, permittee or other occupier in connection with the use of the said Space or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement, or from the market value of the occupancy of such portion of the Space as the Airport Operator may itself during such period actually use and occupy, less all reasonable expenses, costs and disbursements incurred or paid by the Airport Operator in connection therewith.
- 34.3 No such use and occupancy shall be or be construed to be an acceptance of a surrender of the Space, nor shall such use and occupancy constitute a waiver of any rights of the Airport Operator hereunder. The Airport Operator will use its best efforts to minimize damages to User under this Section commensurate with its obligations under the Basic Agreement.

35. Services by User

- 35.1 A principal purpose of the Airport Operator in the making of this Agreement is to make available at the Airport the items and/or services which the User is permitted to sell and/or render hereunder. The User hereby warrants and agrees that it will conduct a first-class operation and will furnish all necessary or proper fixtures, equipment, personnel (including licensed personnel as necessary), supplies, materials, and facilities.
- 35.2 The User shall:
- 35.2.1 furnish good, prompt and efficient service adequate to meet all reasonable demands therefor at the Space;
- 35.2.2 furnish said service on a fair, equal and nondiscriminatory basis to all users thereof; and
- 35.2.3 charge fair, reasonable and nondiscriminatory prices for each unit of sale or service, provided that the User may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.
- 35.2.4 As used in the above subsections, "service" shall include furnishing of parts, materials and supplies (including sale thereof).
- 35.3 The Port Authority has applied for and received a grant or grants of money from the Administrator of the Federal Aviation Administration pursuant to the Federal Airport Act of 1946 and pursuant to the Airport and Airway Development Act of 1970 (49 U.S.C. 1701), as the same have been amended and supplemented, and the Port Authority may in the future apply for and receive further such grants. The Airport Operator under its Operating Agreement with the Port Authority for Teterboro Airport, dated September 19, 1967, has assumed certain obligations of the Port Authority under the Grant Agreement and in connection therewith, the Port Authority and the Airport Operator may in the future undertake certain additional obligations respecting the operation of the Airport and the activities of contractors, lessees and permittees thereon. The performance by the User of the promises and obligations contained in this Agreement is therefore a special consideration and inducement to the Airport Operator to enter into this Agreement and the User further covenants and agrees that if the Administrator of the Federal Aviation Administration or any other governmental officer or body having jurisdiction over the enforcement of the obligations of the Port Authority and/or the Airport Operator in connection with Federal Airport Aid, shall make any orders, recommendations or suggestions respecting the performance by the User of its obligations under this Agreement, the User will promptly comply

therewith, at the time or times when and to the extent that the Airport Operator may direct.

36. Remedies to be Non-Exclusive

36.1 Except where otherwise specifically provided, 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 either party at law or in equity.

37. Limitation of Rights and Privileges Granted

37.1 No exclusive rights at the Airport are granted by this Agreement and no greater rights or privileges with respect to the use of the Space or any part thereof are granted or intended to be granted to the User by this Agreement, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

38. Removal of Personal Property

38.1 The User shall have the right at any time during the term of this Agreement to remove its equipment, inventories, removable fixtures and other personal property from the Space.

38.2 If the User shall fail to remove its property on or before the termination or expiration of the term, the Airport Operator may remove such property to a public warehouse for deposit or retain the same in its own possession, all without insurance, and sell the same at public auction, the proceeds of which shall be applied first, to the expense of removal, storage and sale; second, to any sums owed by the User to the Airport Operator, with any balance remaining to be paid to the User, but if the expenses of such removal, storage and sale shall exceed the proceeds of sale, the User shall pay such excess to the Airport Operator upon demand.

39. Brokerage

38.1 The User represents and warrants that no broker has been concerned on its behalf in the negotiation of this Agreement and that there is no such broker who is or may be entitled to be paid a commission in connection therewith. The User shall indemnify and save harmless the Airport Operator its subsidiaries and affiliates of and from any claim for commission or brokerage made by any such broker when such claim is based in whole or in part upon any act or omission of the User, whether or not such claims, demands, causes of action, liabilities, etc., are made or asserted before or after termination or expiration of this Agreement (to include reasonable attorney's and other professional fees.

40. Obstruction Lights

- 40.1 The User shall furnish such obstruction lights as the Airport Operator shall direct, of the type and design approved by the Airport Operator, and shall install said lights in the locations on the Space designated by the Airport Operator and shall maintain them in good operating condition at all times.
- 40.2 The User shall furnish and install the bulbs and furnish the electricity necessary for the operation of said lights, and shall operate the same in accordance with the directions of the Airport Operator. The Airport Operator hereby directs that all said obstruction lights shall, until further notice, be operated daily for a period commencing thirty (30) minutes before sunset and ending thirty (30) minutes after sunrise and for such other periods as may be directed or requested by the Control Tower of the Airport.

41. Notices

- 41.1 Except where expressly required or permitted herein to be oral, all notices, 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 mail.

Notices to the Airport Operator shall be directed to:

Vice President
Johnson Controls World Services Inc.
7315 N. Atlantic Avenue
Cape Canaveral, FL 32920

With copy to:

Airport Manager
399 Industrial Avenue
Teterboro Airport, New Jersey 07608

Notices to User shall be directed to:

General Aviation Aircraft Service, Inc.
485 Industrial Avenue
Teterboro, New Jersey 07608

42. Construction and Application of Terms

42.1 The Section and subsection 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.

43. Non-Liability of Individuals

43.1 Neither the Directors of the Airport Operator, its subsidiaries and affiliates, or User nor any officers, agents or employees thereof, shall be charged personally by the other with any liability or held liable to the other under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

44. Abatement

44.1 If at any time the User shall become entitled to abatement of Fees by the provisions of this Agreement or otherwise, the abatement of Fees shall be made on an equitable basis giving effect to the amount and character of the Space, the use of which is denied the User as compared with the entire Space.

45. Port Authority Consent

45.1 This Agreement shall become effective upon the execution hereof by all parties hereto and the execution of a Consent Agreement between and among the Port Authority, the Airport Operator, and the User.

46. Entire Agreement

46.1 This Agreement consists of the following: Sections 1 through 46 inclusive, Exhibit A, and Exhibit B.

The foregoing constitutes the entire agreement of the parties on the subject matter hereof. It may not be changed, modified, discharged or extended except by written instrument duly executed by the Airport Operator and the User. The User agrees that no representations or warranties shall be binding upon the Airport Operator unless expressed in writing in this Agreement.

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

JOHNSON CONTROLS WORLD SERVICES INC.

ATTEST:

Mariella Negamer

By: CR Borza

Title: Legal Secretary

Title: Vice President (Acting)

GENERAL AVIATION AIRCRAFT SERVICE, INC.
(User)

ATTEST:

William F. Daulton

By: Kenneth C. Justice

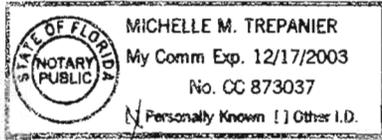
Title: Customer Service Rep

Title: Pres.

Summit Bank
152 Boulevard
Hasbrouck Heights, NJ 07604

STATE OF FLORIDA)
) ss.
COUNTY OF BREVARD)

On this 10th day of April, 2000, before me, the subscriber, a Notary Public, personally appeared C. Robert Borders, the Vice President (Acting) of Johnson Controls World Services Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.



Michelle Trepanier
(notarial seal and stamp)

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

On this 8th day of APRIL, 2000, before me, the subscriber, a Notary Public personally appeared Kenneth C. Forster the _____ President of General Aviation Aircraft Service, I who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

(notarial seal and stamp)

Giovanna Garofalo

GIOVANNA GAROFALO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb 2, 2005

EXHIBIT B

2000 RATES *

	<u>Square Feet</u>	<u>Rate</u>	<u>Annual Total</u>	<u>Monthly Total</u>
<u>Building Rental Fee:</u>				
Hangar 5	13,781	\$11.50	\$158,481.50	\$13,206.79
Hangar 14	13,091	11.00	144,001.00	12,000.08
<u>Land Use Fee:</u>				
Area 1 Exhibit A	377,628	\$ 1.05	396,509.40	33,042.45
TOTAL BASIC RENTS			\$698,991.90	\$58,249.33

The following rates (adjusted by the CPI adjustment factor) shall be applicable from the time that the respective areas become available to the User until 20 years following the completion of the improvement of the areas.

Area 2 Exhibit A	89,652	\$ 0.85	\$76,204.20	\$6,350.35
Area 3 Exhibit A	37,205	\$ 0.85	31,624.25	2,635.35

The following rates (adjusted by the CPI adjustment factor, or as otherwise may be determined in accordance with the agreement) shall be applicable from the twentieth anniversary of the completion of the improvements of the respective areas until time the termination of the agreement.

Area 2 Exhibit A	89,652	\$ 1.05	\$94,134.60	\$7,844.55
Area 3 Exhibit A	37,205	\$ 1.05	39,065.25	3,255.44

- All Rates are subject to CPI escalation effective January 1, 2000, and each year thereafter

STATE OF NEW YORK)

) ss.

COUNTY OF NEW YORK)

On this 14th day of July, 2000, before me, the subscriber, a notary public of New York, personally appeared Francis A. Simola the Asst. Dir. of Admin. of the Port Authority of New York and New Jersey, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.

Linda C. Handel
(notarial seal and stamp)

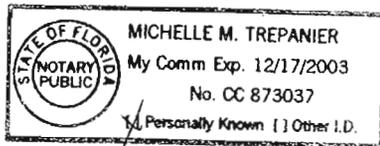
LINDA C. HANDEL
Notary Public, State of New York
No. 01HA6035589
Qualified in New York County
Commission Expires January 3, 2002

STATE OF FLORIDA)

) ss.

COUNTY OF BREVARD)

On this 10th day of April, 2000, before me, the subscriber, a Notary Public, personally appeared C. Robert Borders, the Vice President (Acting) of Johnson Controls World Services Inc. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.



Michelle Trepanier
(notarial seal and stamp)

STATE OF New Jersey)

) ss.

COUNTY OF Bergen)

On this 8th day of APRIL, 2000, before me, the subscriber, a Notary Public personally appeared Kenneth C. Forester the President of General Aviation Aircraft Service, I. who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.

(notarial seal and stamp)

Giovanna Garofalo
GIOVANNA GAROFALO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb 2, 2005

**Teterboro Airport
Use & Occupancy Agreement
TA-304**

CONSENT AGREEMENT

THIS AGREEMENT, dated as of January 1, 2000 by and among THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (herein after called "The Port Authority") and JOHNSON CONTROLS WORLD SERVICES INC. (hereinafter called "the Airport Operator") and GENERAL AVIATION AIRCRAFT SERVICE, INC. (hereinafter called "the User"),

WITNESSETH, THAT:

WHEREAS, the Port Authority and the Airport Operator have heretofore entered into an agreement dated September 19, 1967 (which agreement, as the same has been or may hereafter be supplemented and amended, is hereinafter called "the Main Agreement"), pursuant to which the Airport Operator is operating and using Teterboro Airport (hereinafter called "the Airport"); and

WHEREAS, pursuant to and in accordance with the terms of the Main Agreement, the Airport Operator and the User and its predecessors in interest, have entered into the following Use and Occupancy Agreements, with the consent of the Port Authority:

TA-051 dated October 23, 1974 Hangar 5;

AT-125 dated November 9, 1955 Hangar 14;

WHEREAS, the Port Authority, the Airport Operator and the User entered into Consent Agreements of various dates (hereinafter called "the Use and Occupancy Consent Agreements") consenting to each of the above listed Use and Occupancy Agreements, wherein the Port Authority gave its consent to the Use and Occupancy Agreements; and

WHEREAS, the Airport Operator and the User desire to replace the above referenced Use and Occupancy Agreements with a new, consolidated Use and Occupancy Agreement TA-304 as attached hereto, made a part hereof and hereafter called "the Agreement", subject to the consent of the Port Authority and the execution of a Consent Agreement by and among the Airport Operator, the User and the Port Authority.

NOW, THEREFORE, for and in consideration of the covenants and mutual agreements contained, the Port Authority, the Airport Operator and the User hereby agree effective as of the effective date of the Supplement as follows:

1. On the terms and condition hereinafter set forth, the Port Authority consents to the Agreement.

(a) If the Main Agreement shall terminate (whether through the expiration of its term or by earlier termination as provided in the Main Agreement) before the expiration date of TA-304, TA-304 shall terminate as hereinafter provided and, if the User is in occupancy and using the Space, the Port Authority or a successor airport operator selected by the Port Authority shall enter into a use and occupancy agreement with the User covering the use and occupancy of the Space, with the term thereof commencing as of the expiration or earlier termination of TA-304, the permitted uses of the Space, the fees and charges thereunder being set forth in TA-304, and on substantially the same remaining terms and conditions as set forth in TA-304 and such additional terms as may be necessary or appropriate.

(b) Any successor airport operator that may be selected by the Port Authority shall be required to assume all Port Authority obligations hereunder and under any successor use and occupancy agreement and relieve the Port Authority of same.

3. Neither this Consent Agreement, nor anything contained herein nor the consent granted hereunder shall constitute or be deemed to constitute a consent to nor shall they create an inference or implication that there has been consent to any enlargement, variation or change in the rights, powers and privileges granted to the Airport Operator under the Main Agreement, nor consent to the granting or conferring of any rights, powers or privileges to the User as may be provided by TA-304 if not granted to the Airport Operator under the Main Agreement, nor shall the same impair or change any of the duties, liabilities and obligations imposed on the Airport Operator under the Main Agreement. TA-304 is an agreement between the Airport Operator and the User with respect to the various matters set forth therein. Neither this Consent Agreement nor anything contained herein nor the consent granted hereunder shall constitute an agreement between the Port Authority and the Airport Operator that the provisions of TA-304 shall apply and pertain as between the Airport Operator and the Port Authority, it being understood that the terms, provisions, covenants, conditions and agreements of the Main Agreement shall, in all respects, be controlling, effective and determinative. The specific mention of or reference to the Port Authority in any part of TA-304, including, without limitation thereto, any mention of any consent or approval of the Port Authority now or hereafter to be obtained, shall not be or be deemed to create an inference that the Port Authority has granted its consent or approval thereto under this Consent Agreement or shall thereafter grant its consent or approval thereto or that the subject matter as to which the

consent or approval applies has been or shall be approved or consented to in principle or in fact or that the Port Authority's discretion pursuant to the Main Agreement as to any such consents or approvals shall in any way be affected or impaired. The lack of any specific reference in any provisions of TA-304 to Port Authority approval or consent shall not be deemed to imply that no such approval or consent is required and the Main Agreement shall, in all respects, be controlling, effective and determinative.

4. No provision of TA-304 including, but not limited to, those imposing obligations on the User with respect to laws, rules, regulations, taxes, assessments and liens, shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of TA-304 covering actions which shall or may be undertaken by the User or the Airport Operator including, but not limited to, construction on the Space covered by TA-304, be deemed to imply or infer that Port Authority consent or approval thereto pursuant to the Main Agreement will be given or that Port Authority discretion with respect thereto will in any way be affected or impaired. References in this paragraph to specific matters and provisions shall not be construed as indicating any limitation upon the rights of the Port Authority with respect to its discretion as to the granting or withholding approvals or consents as to other matters and provisions in TA-304 which are not specifically referred to herein.
5. The User, in its operations under or in connection with TA-304 and in its occupancy of the Space covered by TA-304, shall be subject to the applicable terms, provisions, covenants and conditions of the Main Agreement. Without in any way affecting the obligations of the Airport Operator under the Main Agreement and under this Consent Agreement, all acts and omissions of the User shall be deemed to be acts and omissions of the Airport Operator under the Main Agreement, but notwithstanding the foregoing, the Airport Operator shall not be or be deemed to be in default of the Main Agreement to the extent that any of the foregoing shall constitute a breach thereof if, except for causes beyond the control of the Airport Operator, it shall have commenced to remedy said default within twenty (20) days after receipt of notice thereof from the Port Authority and continues diligently to pursue such remedy.
6. TA-304 shall not be changed, modified, discharged or extended except by written instrument duly executed by the parties thereto and only with the express prior written consent of the Port Authority.
7. If the Airport Operator shall at any time be in default of its obligations under the Main Agreement to make payments to the Port Authority, or if there shall occur at any time an event involving insolvency, bankruptcy,

arrangement or reorganization of the Airport Operator which under the terms of the Main Agreement would constitute an event the occurrence of which grants the Port Authority the right to terminate the Main Agreement, and provided the same has not been cured within the time granted therefor, if any, under the Main Agreement, the User shall on demand of the Port Authority pay directly to the Port Authority any fee or other amount due to the Airport Operator. No such payment shall relieve the Airport Operator from any obligations under the Main Agreement or under this Consent Agreement but all such payments shall be credited against the obligations of the Airport Operator and of the User for each payment or part thereof.

8. The granting of the consent hereunder by the Port Authority shall not be or be deemed to operate as a waiver of consent to any subsequent agreement with respect to the use or occupancy of space at the Airport (by the Airport Operator or by the User) or to any assignment of the Main Agreement or TA-304 or of any rights under either of them, whether in whole or in part.
9. In the event of any default by the User under any of the provisions of this Consent Agreement and said default has not been cured within thirty (30) days (or such longer period as is required in the reasonable opinion of the Port Authority, to correct such default, provided the User promptly commences and diligently continues to effectuate a cure) after the Port Authority has served a notice of such default upon the Airport Operator and the User, the Port Authority shall have the right to revoke the consent granted hereunder upon thirty (30) days' written notice to the Airport Operator and the User, but no such revocation shall be deemed to affect the Main Agreement and the continuance thereof, it being understood, moreover, that the foregoing shall not be deemed to affect or limit any rights of the Port Authority under the Main Agreement. In the event of the revocation of the consent hereunder as hereinabove provided, the Airport Operator shall immediately terminate TA-304.
10. Reference herein to the User shall mean and include the User, its officers, agents, employees and also others on the Space covered by TA-304 or elsewhere on the Airport with the consent of the User.
11. Neither the Commissioners of the Port Authority nor any of them, nor any officer, agent or employee thereof shall be held personally liable to the Airport Operator or to the User under any term of provision of this Consent Agreement or because of its execution or because of any breach or alleged breach hereof.

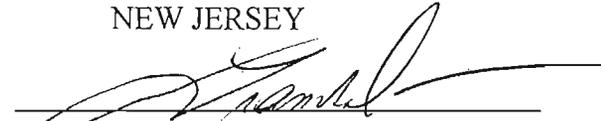
IN WITNESS WHEREOF, the Port Authority, the Airport Operator and the User have executed these presents.

PORT AUTHORITY OF NEW YORK AND
NEW JERSEY

ATTEST:


Daniel D. Bergstein

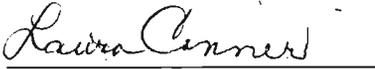
Title: Secretary
The Port Authority of NY & NJ



Title: FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.

JOHNSON CONTROLS WORLD SERVICES INC.

ATTEST:



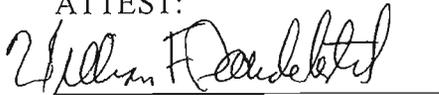
Title: Asst Asst



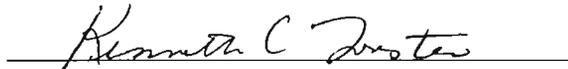
Title: Vice President (Acting)

GENERAL AVIATION AIRCRAFT SERVICE, INC.
(User)

ATTEST:

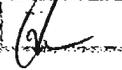


Title: Customer Service Rep



Title: Pres.

Summit Bank
152 Boulevard
Hasbrouck Heights, NJ 07604

APPROVED:
FORG TERMS
 

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

Teterboro Airport
Agreement TA-304
Supplement No. 1

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, dated as of December 27, 2001 by and between THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (hereinafter called the "Port Authority") and GENERAL AVIATION AIRCRAFT SERVICE, INC., a corporation organized under the laws of the State of New Jersey (hereinafter called the "User"),

WITNESSETH, THAT:

WHEREAS, the Port Authority is the owner of Teterboro Airport located in the Boroughs of Teterboro, Moonachie and Hasbrouck Heights and in the Township of Lyndhurst, County of Bergen in the State of New Jersey; and

WHEREAS, Johnson Controls World Services Inc. (hereinafter called "Johnson Controls") was the operator of Teterboro Airport and had the right to operate and use the Airport as successor - assignee to an agreement between Pan American World Airways, Inc. (hereinafter called "Pan American") and the Port Authority dated September 19, 1967 (hereinafter called the "Basic Agreement"); and

WHEREAS, a Use and Occupancy Agreement, bearing file No. TA-304 and made effective as of January 1, 2000, was entered into between Johnson Controls and the User for the use and occupancy of certain Space at Teterboro Airport (which Use and Occupancy Agreement is hereinafter referred to as "the Agreement"); and

WHEREAS, Johnson Controls and the Port Authority terminated the Basic Agreement effective as of the Termination Date, as hereinafter defined, and such termination also effected the termination of the Agreement; and

WHEREAS, effective from and after the Termination Date the Port Authority will be the operator of the Airport and now desires, together with the User, to provide for the continuation of the Agreement for the term set forth therein and the substitution of the Port Authority in the place and stead of Johnson Controls as the Airport Operator under the Agreement;

NOW, THEREFORE, in consideration of the mutual agreements and respective promises herein contained and made by the parties hereto, the parties hereby agree, effective as of November 30, 2000, as follows:

1. The parties hereby agree that the Port Authority shall notify the User of the effective date of the termination of the Basic Agreement, with such date set forth in said notice being herein referred to as the "Termination Date." From and after the Termination Date, the term of the Agreement shall continue thereafter for the term set forth therein with the Port Authority as the Airport Operator thereunder and with the Port Authority succeeding to all the rights and obligations of Johnson Controls under the Agreement from and after the Termination Date. The obligations and liabilities of Johnson Controls to the User arising under the Agreement prior to the Termination Date shall be and remain the obligations and liabilities of Johnson Controls and the Port Authority shall have no responsibility therefor.

2. As between the Port Authority and the User, this substitution of the Port Authority shall not in any way whatsoever affect or impair the liability of Johnson Controls to the User or to the Port Authority to perform all the terms, provisions and conditions of the Agreement on the part of Johnson Controls to be performed, for the period from the effective date of the Agreement to and including the Termination Date and the obligation to comply with all requirements of the Port Authority and appropriate federal, state and local governmental agencies arising from any environmental condition of the Space.

3. From and after the Termination Date, the Port Authority shall assume all the rights, obligations and duties of Johnson Controls under the Agreement as well as the performance of, and does hereby agree to perform, all the terms, provisions

and conditions of the Agreement on the part of the Airport Operator thereunder to be performed. The execution of this instrument by the Port Authority does not constitute a representation by it that Johnson Controls has performed or fulfilled every obligation required by the Agreement; as to such matters the User agrees to look solely to Johnson Controls.

4. No provision of the Agreement, including but not limited to, those imposing obligations on the User with respect to laws, rules, regulations, taxes, assessments and liens, shall be construed as a submission or admission by the Port Authority that the same could or does lawfully apply to the Port Authority, nor shall the existence of any provision of the Agreement covering actions which shall or may be undertaken by the User or the Airport Operator, including but not limited to, construction on the Space covered by the Agreement, be deemed to imply or infer that Port Authority consent or approval thereto has been or shall be given or that Port Authority discretion with respect thereto will in any way be affected or impaired. References in this paragraph to specific matters and provisions shall not be construed as indicating any limitation upon the rights of the Port Authority with respect to its discretion as to matters and provisions in the Agreement which are not specifically referred to herein.

5. Except as otherwise provided herein, during the remainder of the term of the Agreement all the terms, provisions, covenants and conditions of the Agreement shall be and continue in full force and effect.

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

7. This Supplemental Agreement and the Agreement which it amends constitute the entire agreement between the Port Authority and the User on the subject matter, and may not be changed, modified, discharged or extended except by instrument in

writing duly executed on behalf of both the Port Authority and the User.

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

ATTEST:

THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY

Paul Lashman BY: *[Signature]*
Secretary

Title: FRANCIS A. DIMOLA
ASSISTANT DIRECTOR
AVIATION DEPT.
(Seal)

ATTEST:

GENERAL AVIATION AIRCRAFT
SERVICE, INC.

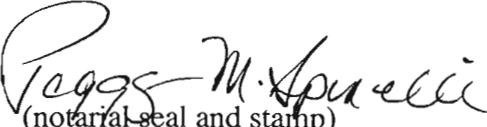
CMreste
Secretary

By: *Kenneth C. Inata*
Title: *Pres.*
(Corporate Seal)

APPROVED:	
FORM	TERMS
<i>[Signature]</i>	<i>[Signature]</i>

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

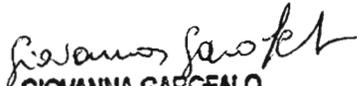
On this 12th day of DECEMBER, 2002, before me, the subscriber, a notary public of New York, personally appeared FRANCIS A. DIMOLA the Assistant Director, Aviation Dept of **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Commissioners.


(notarial seal and stamp)

PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003

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

On this 21st day of JUNE, 2002, before me, the subscriber, a Notary Public, personally appeared KENNETH C. FORESTER the PRESIDENT of **GENERAL AVIATION AIRCRAFT SERVICE, INC.**, who I am satisfied is the person who has signed the within instrument; and I having first made known to him the contents thereof, he did acknowledge that he signed, sealed with the corporate seal and delivered the same as such officer aforesaid and that the within instrument is the voluntary act and deed of such corporation, made by virtue of the authority of its Board of Directors.


GIOVANNA GAROFALO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb 2, 2005
(notarial seal and stamp)

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

Teterboro Airport
Port Authority Agreement No. TA-304
Supplement No. 2

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, dated as of June 1, 2004, by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter called the "Port Authority") and **GENERAL AVIATION AIRCRAFT SERVICE, INC.**, a corporation organized under the laws of the State of New Jersey (hereinafter called the "User");

WITNESSETH, that:

WHEREAS, the Port Authority is the owner of Teterboro Airport (hereinafter called the "Airport") located in the Boroughs of Teterboro, Moonachie and Hasbrouck Heights and in the Township of Lyndhurst, County of Bergen in the State of New Jersey; and

WHEREAS, Johnson Controls World Services Inc. (hereinafter called "Johnson Controls") was the operator of the Airport and had the right to operate and use the Airport as successor-assignee to an agreement between Pan American World Airways, Inc. ("Pan American") and the Port Authority dated September 19, 1967 (hereinafter, as the same has been extended, called the "Basic Agreement"), which Basic Agreement the parties thereto terminated as of December 1, 2000 with the Port Authority entering into an operations services and maintenance contract with another party to operate and maintain the Airport; and

WHEREAS, a Use and Occupancy Agreement, bearing file No. TA-304 and made effective as of January 1, 2000, was entered into between Johnson Controls and the User for the use and occupancy of certain Space at the Airport (which Use and Occupancy Agreement is hereinafter referred to as the "Agreement"); and

WHEREAS, in addition to the Space as defined in the Agreement, the User desires to use and occupy additional areas at the Airport as hereinafter described, as well as perform certain construction work at the said additional space as hereinafter described; and

WHEREAS, the parties desire to amend the Agreement in certain other respects as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual agreements and respective promises herein contained and made by the parties hereto, the parties hereby agree, effective as of the dates set forth below, as follows:

1. Effective as of June 1, 2004, Section 8.5 shall be deemed deleted and the following shall be deemed inserted in lieu thereof:

“8.5 Payments made hereunder shall be sent to the following address: The Port Authority of New York and New Jersey, P. O. Box 95000-1517, Philadelphia, Pennsylvania 19195-1517; or made via the following wire transfer instructions: Bank: Commerce Bank; Bank ABA Number: 026013673; Account Number: [REDACTED] (for monthly fees) or [REDACTED] (for percentage fees); or to such other address as may hereafter be substituted therefor by the Port Authority from time to time, by notice to the User.

2. Effective as of October 13, 2005, the following shall be deemed added to the end of Section 16.7.4 of the Agreement:

“In the event that upon conducting an examination and audit as described in this paragraph the Port Authority determines that unpaid amounts are due to the Port Authority by the User, the User shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount of five percent (5%) of each amount determined by the Port Authority audit findings to be unpaid. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge(s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the User 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 Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid hereunder. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Agreement, including, without limitation, the Port Authority’s rights to revoke this Agreement or (ii) any obligations of the User under this Agreement.”

3. (a) Effective as of April 15, 2007, the area shown in stippling on the sketch attached hereto, hereby made a part hereof and marked “Exhibit B” shall be added to the Space under the Agreement (such additional space hereinafter sometimes referred to as “Additional Space-A”).

(b) Effective as of the Additional Space-B Effective Date, as such term is hereinafter defined, the area shown in diagonal cross-hatching on Exhibit B shall be added to the Space under the Agreement (such additional space hereinafter sometimes referred to as “Additional Space-B”) (Additional Space-A and Additional Space-B hereinafter collectively referred to as the “Additional Space”).

(c) The parties hereto acknowledge that the Additional Space constitutes non-residential real property.

(d) As used herein, “Additional Space-B Effective Date” shall mean the date upon which the Port Authority shall deliver to the User notice that Additional Space-B is ready for use and occupancy by the User.

4. The User shall use the Additional Space in accordance with the provisions of Section 4 of the Agreement and for no other purpose or purposes whatsoever.

5. The User, prior to the execution of this Supplemental Agreement, has thoroughly examined the Additional Space and determined it to be suitable for the User's operations hereunder and the User restates and continues said determination in connection with its continued occupancy hereunder. Except as otherwise provided herein, the User hereby agrees to assume all responsibility for any and all risks, costs and expenses of any kind whatsoever caused by, arising out of or in connection with the condition of the Additional Space whether existed prior to, on or after the date of its original occupancy of the Additional Space, including, without limitation, all Environmental Requirements and Environmental Damages, as such terms are defined in the Agreement, and all soil remediation to the extent required under Environmental Requirements, and to indemnify and hold harmless the Port Authority with respect to third party claims in accordance with Section 15 of the Agreement. Notwithstanding the foregoing, the User shall be responsible for the removal of and remediation of Hazardous Substances placed, or permitted or caused to be placed on, in or under the Additional Space by the User or by its employees, agents, contractors, or others using or occupying the Additional Space under the Agreement or this Supplemental Agreement.

6. The User acknowledges that it has not relied upon any representation or statement of the Port Authority or its Commissioners, officers, employees or agents as to the suitability of the Additional Space for the operations permitted thereon by the Agreement, as herein amended. Without limiting any obligation of the User to commence operations under the Agreement, as herein amended, at the time and in the manner stated elsewhere in this Supplemental Agreement, the User agrees that no portion of the Additional Space will be used initially or at any time during the effective period of the permission granted under the Agreement, as herein amended, which is in a condition unsafe or improper for the conduct of the User's operations therein under the Agreement, as herein amended, so that there is possibility of injury or damage to life or property, and the User further agrees that before any use of the Additional Space, it will immediately correct any such unsafe or improper condition. Without limiting the generality of any of the provisions of the Agreement, as herein amended, or this Supplemental Agreement, the Port Authority shall not be liable to the User for any claims for loss, theft or damage involving any property stored or placed in the Additional Space.

7. (a) (i) In addition to all other fees and charges provided for under the Agreement, as herein amended, from and after April 15, 2007, the User shall pay to the Port Authority a fee for the use and occupancy of Additional Space-A in the amount of Twenty-three Thousand One Hundred Nineteen Dollars and Sixty-eight Cents (\$23,119.68) on April 15, 2007 and a monthly fee, payable in advance on May 1, 2007 and on the first day of each and every calendar month thereafter during the term of the Agreement, in equal installments of Forty-three Thousand Three Hundred Forty-nine Dollars and Fifty-four Cents (\$43,349.54).

(ii) Effective April 15, 2008, and annually thereafter, the User shall pay to the Port Authority a monthly fee for Additional Space-A equal to the greater of either the prior year's fee multiplied by a fraction, the numerator of which shall be the CPI as published for the month of March of the year prior to the affected year and the denominator of which shall be the CPI published for the month of March two (2) years prior to the affected year or the prior year's fee. In computing the monthly fee payable for Additional Space-A in no event shall the monthly fee for Additional Space-A be less than the prior year's fee or increased by an amount greater than six percent (6%).

(b) (i) In addition to the monthly fee for Additional Space-A set forth above, from and after the Additional Space-B Effective Date, the User shall pay to the Port Authority a monthly fee for the use and occupancy of Additional Space-B in the amount of Two Thousand Eight Hundred Seventy-one Dollars and Thirty-six Cents (\$2,871.36), payable in advance on the Additional Space-B Effective Date and on the first day of each and every calendar month thereafter during the term of the Agreement. If the Additional Space-B Effective Date shall occur on a date other than the first day of a month, the monthly fee due to the Port Authority for Additional Space-B for the month in which the Additional Space-B Effective Date shall occur shall be prorated on the basis of the actual number of days from the Additional Space-B Effective Date to the end of such month.

(ii) Effective on the first anniversary of the Additional Space-B Effective Date, and annually thereafter, the User shall pay to the Port Authority a monthly fee for Additional Space-B equal to the greater of either the prior year's fee multiplied by a fraction, the numerator of which shall be the CPI as published for the month preceding the month in which the Additional Space-B Effective Date shall occur and the denominator of which shall be the CPI published for the month in which the Additional Space-B Effective Date shall occur two (2) years prior to the affected year or the prior year's fee. In computing the monthly fee payable for Additional Space-B in no event shall the monthly fee for Additional Space-B be less than the prior year's fee or increased by an amount greater than six percent (6%).

(c) (i) The Port Authority reserves the right to establish a new monthly fee for the Additional Space effective January 1, 2010 and January 1, 2020 in accordance with the provisions of paragraphs 7.6 and 7.9 of the Agreement.

8. (a) The Port Authority and the User agree that as soon as practicable from the date of execution and delivery by the Port Authority of this Supplemental Agreement to the User, the User shall, in accordance with Section 5 of the Agreement, submit plans and specifications for the demolition of the facility currently on the Space as shown as Hangar 14 on Exhibit A annexed to the Agreement and for the preparation and paving of such area suitable for aircraft parking (hereinafter referred to as the "Additional Construction Work"). Upon approval by the Port Authority of said plans and specifications, the User shall proceed expeditiously and with all reasonable diligence to perform, at its own cost and expense, the Additional Construction Work and to complete the said Additional Construction Work within two hundred seventy (270) days from the date of execution and delivery by the Port Authority of this Supplemental Agreement to the User.

(b) The provisions of Section 5 of the Agreement shall govern the User's performance and completion of the Additional Construction Work. Wheresoever the term "Construction Work" shall appear in said Section 5, it shall also mean and include the term "Additional Construction Work" as defined herein.

9. (a) Upon the execution of this Supplemental Agreement by the User and delivery thereof to the Port Authority, the User shall deliver to the Port Authority, as security for the full, faithful and prompt performance of and compliance with, on the part of the User, all of the terms, provisions, covenants and conditions of the Agreement and this Supplemental Agreement on its part to be fulfilled, kept, performed or observed, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District and acceptable to the Port Authority, in favor of the Port Authority, and payable

in the Port of New York District in the amount of Two Hundred Seventy-five Thousand Dollars and No Cents (\$275,000.00). The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the term of the Agreement and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent clean and irrevocable satisfactory letter of credit. If requested by the Port Authority, said letter of credit shall be accompanied by a letter explaining the opinion of counsel for the banking institution that the issuance of said clean, irrevocable letter of credit is an appropriate and valid exercise by the banking institution of the corporate power conferred upon it by law. Upon notice of cancellation of a letter of credit, the User agrees that unless the letter of credit is replaced by another letter of credit satisfactory to the Port Authority by a date not later than twenty (20) days prior to the effective date of cancellation, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security. Failure to provide such a letter of credit at any time during the term of the Agreement, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit, shall be deemed to be a breach of the Agreement on the part of the User. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the User, upon demand by the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount. No action by the Port Authority pursuant to the terms of any letter of credit, or any receipt by the Port Authority of funds from any bank issuing such letter of credit, shall be or be deemed to be a waiver of any default by the User under the terms of the Agreement, and all remedies under the Agreement and of the Port Authority consequent upon such default shall not be affected by the existence of a recourse to any such letter of credit.

(b) For the purposes of this paragraph, the User hereby certifies that its federal tax identification number is [REDACTED]

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

10. Except as otherwise provided herein, all the terms, provisions, covenants and conditions of the Agreement shall be and continue in full force and effect.

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

12. This Supplemental Agreement and the Agreement which it amends constitute the entire agreement between the Port Authority and the User on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of both the Port Authority and the User.

IN WITNESS WHEREOF, the Port Authority and the User have executed these presents as of the date first hereinabove set forth.

ATTEST:

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

By [Signature] Secretary By [Signature]

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

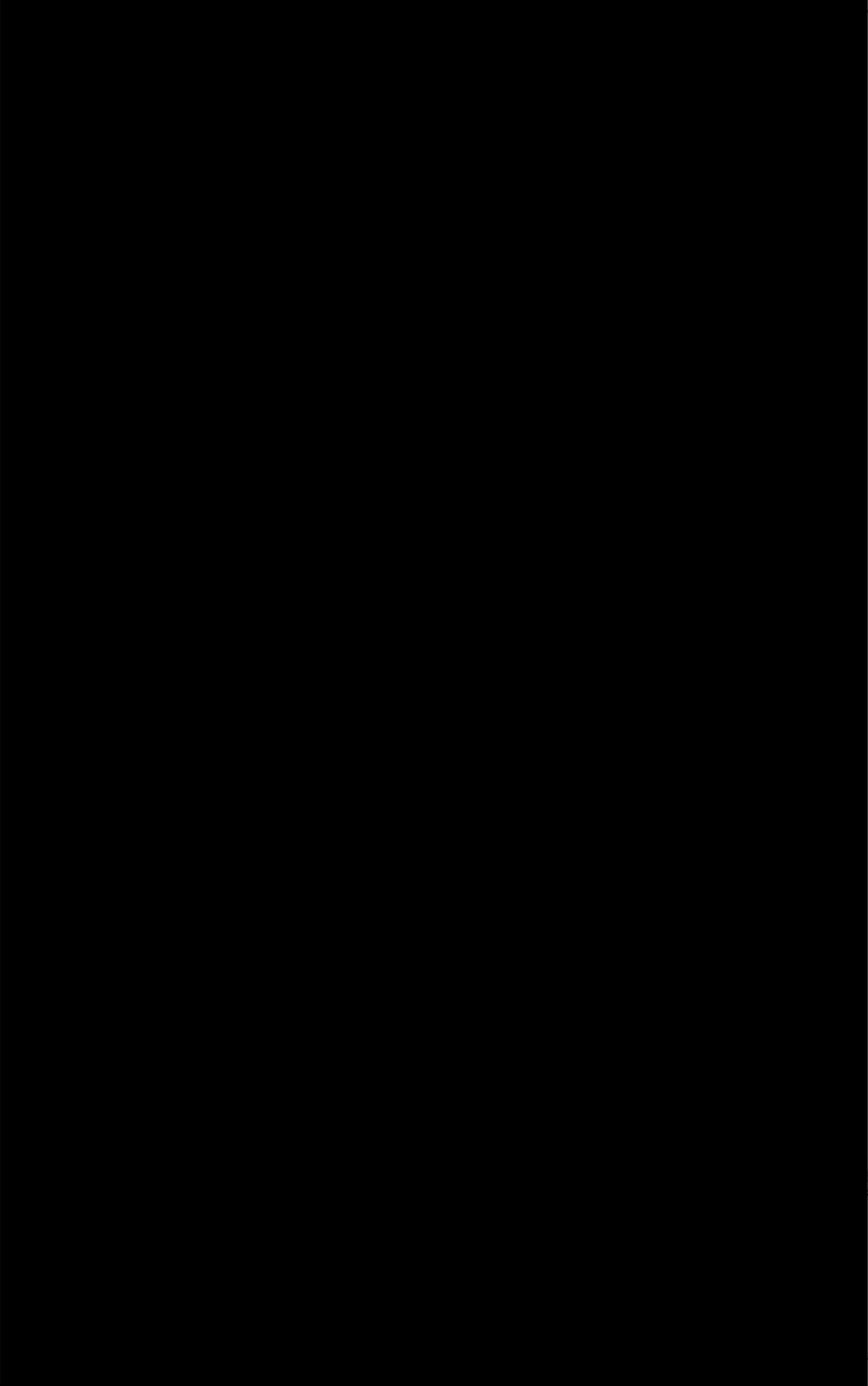
ATTEST:

GENERAL AVIATION AIRCRAFT SERVICE, INC.

By CS Forster Secretary By KC J

Name Kenneth C. Forster
(Please Print Clearly)
(Title) CEO ~~President~~ KCJ
(Corporate Seal)

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
<u>[Signature]</u>	<u>[Signature]</u>



INITIALED:

FOR THE PORT AUTHORITY

FOR THE USER

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

TETERBORO AIRPORT

06-31-07

(HANGAR 12-0)

TEB07 - 006

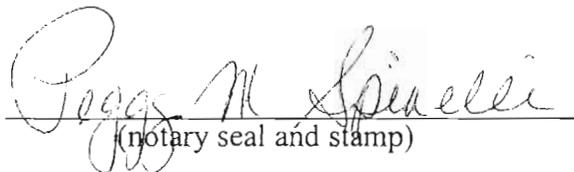
EXHIBIT B

For the Port Authority

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

On the 23 day of July in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared David KAGAN

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


(notary seal and stamp)

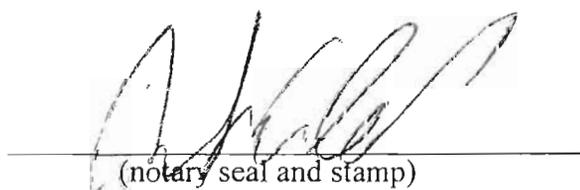
PEGGY M. SPINELLI
Notary Public, State of New York
No. 01SP6057870
Qualified in New York County
Commission Expires April 30, 2003 (

For the User

STATE OF New Jersey)
)ss.:
COUNTY OF Bergen)

On the 25th day of MAY in the year 2007, before me, the undersigned, a Notary Public in and for said state, personally appeared

Renneth C. Forrester
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


(notary seal and stamp)

ROBERT DOAK
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 22, 2010

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

Teterboro Airport
Port Authority Lease No. TA-304
Supplement No. 3

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT (hereinafter the "Supplement No. 3") made as of May 31, 2014 (the "*Effective Date*") by and between **THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY** (hereinafter referred to as the "Port Authority") and **GENERAL AVIATION AIRCRAFT SERVICE, INC.** a corporation organized under the laws of the State of New Jersey (hereinafter referred to as the "Assignor"), and **MERIDIAN AIRCRAFT SERVICE, LLC**, a limited liability corporation organized under the laws of the State of New Jersey and having an office and place of business at 485 Industrial Avenue, Teterboro, New Jersey 07608 (hereinafter referred to as the "Assignee");

WITNESSETH, That:

WHEREAS, the Port Authority is the owner of Teterboro Airport (hereinafter called the "Airport" located in the boroughs of Teterboro, Moonachie and Hasbrouck Heights and in the Township of Lyndhurst, County of Bergen in the State of New Jersey; and

WHEREAS, Johnson Controls World Services, Inc (hereinafter called "Johnson Controls") was the operator of the Airport and had the right to operate and use the Airport as successor-assignee to an agreement between Pan American World Airways, Inc ("Pan American") and the Port Authority dated September 19, 1967 (hereinafter, as the same has been extended, called the "Basic Agreement"), which Basic Agreement the parties thereto terminated as of December 1, 2000, and from and after such date, the Port Authority became the operator of the Airport in the place and stead of Johnson Controls as the Airport Operator;

WHEREAS, a Use and Occupancy Agreement, bearing file No. TA-304, and made effective as of January 1, 2000, was entered into between Johnson Controls and the Assignor for the use and occupancy of certain Space at Teterboro Airport (which Use and Occupancy Agreement is hereinafter referred to as "the Agreement"); and

WHEREAS, the Assignor desires to assign the Agreement to the Assignee and the Assignee is desirous of acquiring the Agreement and becoming the User of the Port Authority thereunder; and

WHEREAS, the Port Authority is willing to consent to such assignment of the Agreement from the Assignor to the Assignee on certain terms, provisions, covenants and conditions as hereinafter set forth;

WHEREAS, the Port Authority, the Assignor and the Assignee desire to extend the term of the Agreement and to amend the Agreement in certain other respects;

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, the Port Authority and the Assignor and Assignee hereby agree, effective as of the dates set forth hereinafter, as follows:

1. Effective as of the date hereof, the term of the Agreement is hereby extended for the period ending on December 31, 2036, both dates inclusive, unless sooner terminated.

2. Effective as of the date hereof, the amount of the security deposit to be provided by the Assignor to the Port Authority pursuant to Paragraph 9 of Supplement No. 2 to the Agreement shall be increased to Six Hundred Forty Thousand Dollars and No Cents (\$640,000.00), and the Assignor shall, together with the Assignor's execution and delivery to the Port Authority of this Supplemental Agreement, provide to the Port Authority an amendment to, or replacement of, the existing letter of credit hitherto provided to the Port Authority.

2. (a) The Assignor does hereby assign, transfer and set over to the Assignee, and its successors to its and their own proper use, benefit and behoof forever, the Lease, to have and to hold the same unto the Assignee, and its successors, from June 1, 2014, for and during all the rest, residue and remainder of the term of the permission under the Lease, subject nevertheless to all the terms, provisions, covenants and conditions therein contained; and the Assignor does hereby assign, transfer and set over unto the Assignee, and its successors, all right, title and interest of the Assignor in and to a certain deposit (whether of cash or bonds) in the amount of Six Hundred Forty Thousand Dollars and No Cents (\$640,000.00) made by the Assignor with the Port Authority as security for the performance of the terms, provisions, covenants and conditions of the Lease but subject to the provisions of the Lease and to any claim or right to the said deposit or any part thereof heretofore or hereafter made or to be made on the part of the Port Authority. For the purposes of this paragraph, the Assignee hereby certifies that its federal tax identification number is [REDACTED]

(b) The Assignee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon fifteen (15) days' notice to the Assignee, to adjust the amount of the letter of credit as set forth above in subparagraph (a). Not later than the effective date set forth in said notice by the Port Authority the Assignee shall furnish an amendment to, or replacement of, the letter of credit providing for such adjusted amount of the letter of credit, and such adjusted (or replaced) letter of credit shall thereafter constitute the letter of credit required under this paragraph.

3. The Port Authority hereby consents to the foregoing assignment. Notwithstanding anything herein to the contrary, the granting of such consent by the Port Authority shall not be, or be deemed to operate as, a waiver of the requirements for consent (or consents) to each and every subsequent assignment by the Assignee or by any subsequent assignee, nor shall the Assignor be relieved of liability under the terms, provisions and conditions of the Lease by reason of this consent of the Port Authority of one or more other consents to one or more other assignments thereof.

4. The Assignor agrees that this assignment of the Lease and this consent of the Port Authority thereto shall not in any way whatsoever affect or impair the liability of the Assignor to perform all the terms, provisions and conditions, including without limitation thereto the obligation to pay fees, of the Agreement on the part of the Assignor thereunder to be performed and that the Assignor shall continue fully liable for the performance of all the terms, provisions, covenants and conditions, including without limitation thereto the obligation to pay fees, on the part of the Assignor thereunder to be performed. The liability of the Assignor as set forth in this paragraph shall remain and continue in full force and effect as to any and every modification of the Agreement, whether in accordance with the terms of the Agreement or by a separate or

additional document, and notwithstanding any such modification, whether or not the Assignor has specifically consented to such modification; provided, however, that in the event that the Term under the Agreement is extended or renewed for any period after February 14, 2027, the Assignor shall not be deemed liable under the Agreement for such extension or renewal of the Term of the Agreement after such date; and provided further, upon the earlier of the Expiration Date (as defined in Section 1.1 of the Agreement) or the earlier termination of the Agreement, the Assignor's obligations under the Agreement shall terminate, except as to those obligations which expressly survive the termination of the Agreement. The liability of the Assignor hereunder shall in no way be affected by the failure of the Port Authority to obtain the Assignor's consent to any such modification notwithstanding that the Port Authority has previously obtained such consent with respect to a prior modification.

5. The Assignee does hereby assume the performance of and does hereby agree to perform all the terms, provisions and conditions, including without limitation thereto the obligation to pay fees, contained in the Agreement to be performed on the part of the Assignor thereunder as though the Assignee were the original signatory to the Agreement. The execution of this instrument by the Port Authority does not constitute a representation by it that the Assignor has performed or fulfilled every obligation required by the Agreement; as to such matters, the Assignee agrees to rely solely upon the representation of the Assignor.

6. The liability of the Assignor hereunder shall in no way be affected by:

(a) The release or discharge of the Assignee in any creditors', receivership, bankruptcy or other similar proceeding; or

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

(c) The rejection or disaffirmance of the Agreement in any creditors', receivership, bankruptcy, or other similar proceeding; or

(d) Any disability or any defense of the Assignee.

7. (a) The Port Authority and the Assignee agree that as soon as practicable from the date of execution and delivery by the Port Authority of this Supplement No. 3 to the Assignee, the Assignee shall, in accordance with Section 5 of the Agreement, submit plans and specifications for the demolition of the facility currently on the Space shown as Hangar 12 on Exhibit B annexed to Supplement No. 2 of the Agreement and for the construction of a replacement facility consisting of a minimum of 40,000 square feet of aircraft hangar space together with approximately 6,000 to 8,000 square feet of adjoining office and shop space (hereinafter referred to as the "Additional Construction Work"). The Assignee must (i) make a Capital Investment, as hereinafter defined, in the Space in an amount that is not less than Ten Million Dollars and No Cents (\$10,000,000) and (ii) complete the Additional Construction Work no later than December 30, 2016.

(b) Should the Assignee not invest the minimum investment for the Additional Construction Work, as set forth in subparagraph (a) of this Paragraph 7, by December 31, 2016, the Assignee shall pay to the Port Authority an amount equivalent to the difference between the amount of the minimum investment and the amount of the Capital Investment that the Assignee

actually made and that amount shall be immediately due and payable to the Port Authority and will be “additional fees” pursuant to and as used in Section 7.1 of the Agreement.

(c) The provisions of Section 5 of the Agreement shall govern the User’s performance and completion of the Additional Construction Work. Whenever the term “Construction Work” shall appear in said Section 5, it shall also mean and include “Additional Construction Work” as defined herein.

8. (a) “*Capital Investment*” shall mean the cost of any improvement, replacement, alteration or addition (or portion thereof) made to the Space shown on Exhibit B that would constitute capital expenditures under generally accepted accounting principles consistently applied; provided, however, that “Capital Investment” shall not include the cost of any equipment or fixture or the making of any improvement unless such equipment, fixture or improvement is actually and completely installed in or made to the Space, and “Capital Investment” shall not include the amount of any payment made to an affiliate of the Assignee that exceeds the amount that would be payable to a party not an affiliate of the Assignee in an arm’s-length transaction for the same goods or services, provided, further, that “soft costs”, such as the costs of engineering, architectural, professional and consulting services and construction management or supervision, shall not exceed fifteen percent (15%) of the total amount of “Capital Investment”.

(b) The term “*construction work*” in the Agreement shall also mean and include the term “Additional Construction Work”. The Additional Construction Work shall be performed in accordance with the provisions of Sections 5.4 through 5.11 of the Agreement. Upon completion of the Additional Construction Work, title thereto shall immediately and without execution of any further instrument vest in the Port Authority, and all such improvements shall be part of the Space.

(c) The Assignee shall, in the performance of all construction work, comply with the Port Authority’s policy on sustainable design as set forth in the sustainable design guidelines promulgated by the Port Authority Engineering Department from time to time.

9. Effective from and after January 1, 2019, and continuing throughout the balance of the term of the letting, as herein extended, the annual rental payable for Additional Space –A, set forth in Paragraph 7(a) (i) of Supplement No. 2 of the Agreement, shall be abated by an amount equivalent to the portion of the rental payable for Hangar 12 as of January 1, 2019, as such abated amount shall be escalated pursuant to the provisions of Paragraph 7(a)(ii) of Supplement No. 2.

10. As security for the Assignee’s performance of all its obligations hereunder, the Assignee shall provide and maintain in full force and effect throughout the Term under this Agreement, a contract of absolute and unconditional guaranty of the due and punctual payment of the fees and rental obligations of the Assignee and of the full, faithful and prompt performance, observance and fulfillment on the part of the Assignee of all of the terms, covenants and conditions of this Agreement to be kept, performed, observed and fulfilled and such Contract of Guaranty shall be in the form attached hereto, hereby made a part hereof and marked “Exhibit A” and satisfactory to the Port Authority to be executed and delivered to the Port Authority with the delivery of this Agreement to the Port Authority.

11. In addition to the terms and conditions of the Agreement, as amended, and effective as of the date of this Supplemental Agreement, in the event the Assignee continues its use and occupancy of the Space after the expiration or termination of the term of the Agreement (whether in whole or only as pertains to the Space), in addition to any damages to which the Port Authority may be entitled under the Agreement, as herein amended, or other remedies the Port Authority may have by law or otherwise, the Assignee shall pay to the Port Authority a fee for the period commencing on the day immediately following the date of such expiration or the effective date of such termination and ending on the date that the Assignee shall surrender and completely vacate the Space at a rate equal to twice the Additional Land Fee. Nothing in this Supplemental Agreement shall give, or be deemed to give, the Assignee any right to continue its use and occupancy of the Space after the expiration or termination of the term of the Agreement (whether in whole or only as pertains to the Space). The Assignee acknowledges that the failure of the Assignee to surrender, vacate and yield up the Space 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 Assignee assumes the risk of such injury, damage or loss and 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 Assignee expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss.

12. If the Assignee should fail to pay any amount required under this Agreement, as herein amended, when due to the Port Authority, including without limitation any payment of basic, percentage, variable or other rental or any payment of utility, or other charges or fees or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods during each calendar year; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Agreement. Each late charge shall be payable immediately upon demand made at any time therefor by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Section with respect to such unpaid amount. Each late charge shall be recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the rental as set forth in the section of this Agreement entitled "Rental". 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 the Agreement, as herein amended, including without limitation the Port Authority's rights set forth in the section of this Agreement entitled "Termination" or (ii) any obligations of the Assignee under the Agreement, as herein amended. In the event that any late charge imposed pursuant to this Paragraph shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Agreement shall be payable instead at such legal maximum.

13. 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.

14. (a) *Assignee's Representation and Warranty.* The Assignee hereby represents and warrants to the Port Authority that the Assignee (x) is not a person or entity with whom the Port Authority is restricted from doing business under the regulations of the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury (including, without limitation, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other regulation relating to national security or foreign policy (including, without limitation, Executive Order 13224 of September 23, 2001, *Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism*), or other governmental action related to national security, the violation of which would also constitute a violation of law, such persons being referred to herein as "**Blocked Persons**" and such regulations, statutes, executive orders and governmental actions being referred to herein as "**Blocked Persons Laws**") and (y) is not engaging in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. The Assignee acknowledges that the Port Authority is entering into this Agreement in reliance on the foregoing representations and warranties and that such representations and warranties are a material element of the consideration inducing the Port Authority to enter into and execute this Agreement.

(b) *Assignee's Covenant.* Assignee covenants that (i) during the term of the Agreement it shall not become a Blocked Person, and shall not engage in any dealings or transactions with Blocked Persons in violation of any Blocked Persons Laws. In the event of any breach of the aforesaid covenant, the same shall constitute an event of default and, accordingly, a basis for termination of this Agreement by the Port Authority, in addition to any and all other remedies provided under this Agreement or at law or in equity, which does not constitute an acknowledgement by the Port Authority that such breach is capable of being cured.

(c) *Assignee's Indemnification Obligation.* The Assignee shall indemnify and hold harmless the Port Authority and its Commissioners, officers, employees, agents and representatives from and against any and all claims, damages, losses, risks, liabilities and expenses (including, without limitation, attorney's fees and disbursements) arising out of, relating to, or in connection with the Assignee's breach of any of its representations and warranties made under this Paragraph. Upon the request of the Port Authority, the Assignee shall at its own expense defend any suit based upon any such claim or demand (even if such suit, claim or demand is groundless, false or fraudulent) and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provision of any statutes respecting suits against the Port Authority.

(d) *Survival.* The provisions of this Paragraph shall survive the expiration or earlier termination of the period of permission of this Agreement.

15. Without in any way limiting the provisions set forth in the Sections of this Agreement entitled "*Termination by the Airport Operator*", "*Right of Re-entry*" and "*Survival of the Obligations of the User*", unless otherwise notified by the Port Authority in writing, in the event the Assignee 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 Assignee 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 Assignee shall surrender and completely vacate the premises at an annual rate equal to twice the sum of the annual rate of Basic Rental in effect on the date of such expiration or termination, plus all items of Additional Rent, if any and other periodic charges payable with respect to the premises by the Assignee 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 Assignee any right to remain in possession of the premises after the expiration or termination of the letting under this Agreement. The Assignee acknowledges that the failure of the Assignee 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 Assignee 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.

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

17. The Assignee waives its right to trial by jury in any summary proceeding or action that may hereafter be instituted by the Port Authority against the Assignee 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 Assignee 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.

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

19. Neither the Commissioners of the Port Authority, no any of them, nor any officer, agent or employee thereof, shall be charged personally by the Assignee with any liability or held liable to it under any term or condition of this Agreement, or because of its execution or attempted execution or because of any breach or alleged or attempted breach thereof.

20. Except as hereby amended, all of the terms, covenants, provisions, conditions and agreements of the Agreement shall be and remain in full force and effect.

21. This Supplementary Agreement, together with the Agreement which it amends, constitute the entire agreement between the Port Authority and the Assignor and Assignee on the subject matter, and may not be changed, modified, discharged or extended except by instrument in writing duly executed on behalf of the Port Authority, the Assignor and the Assignee. The Assignor and the Assignee agree that no representations or warranties shall be binding upon the Port Authority unless expressed in writing in the Agreement or in this Supplementary Agreement.

IN WITNESS WHEREOF, the Port Authority, the Assignor and the Assignee have executed these presents as of the date first above written.

ATTEST:

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

By 
Secretary

By 
Name David Kagan
Assistant Director
Business Property (Please Print Clearly)
(Title) _____
(Seal)

ATTEST:

GENERAL AVIATION AIRCRAFT SERVICE, INC.

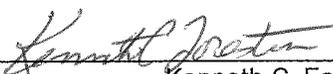
By 
Secretary

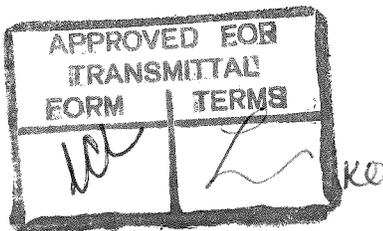
By 
Name S. CHANDOHA
(Please Print Clearly)
(Title) _____ President
(Corporate Seal)

ATTEST:

By 
Secretary

MERIDIAN AIRCRAFT SERVICE, LLC
a New Jersey limited liability company
By: General Aviation Flying Service, Inc.,
its Sole Member

By: 
Kenneth C. Forester
Title: _____ CEO



CONTRACT OF GUARANTY

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY, (hereinafter called "the Port Authority") is willing to enter into the attached Supplemental Agreement No. 3 to the Use and Occupancy Agreement identified by Agreement No. TA-304 (hereinafter called "the Agreement") with MERIDIAN AIRCRAFT SERVICE LLC., as Assignee, a limited liability company organized and existing under and by virtue of the laws of the State of New Jersey with an office and place of business at 485 Industrial Avenue, Teterboro, New Jersey 07608 (hereinafter called "the Assignee") upon certain terms and conditions among which is the guaranty of the obligations of the Assignee under the Agreement by GENERAL AVIATION FLYING SERVICE, INC.; and

WHEREAS, General Aviation Flying Service, Inc, a corporation organized and existing under and by virtue of the laws of New Jersey having its principal place of business at 485 Industrial Avenue, Teterboro, New Jersey (hereinafter called "the Guarantor") is the absolute and unconditional owner of all of the membership interest of the Assignee; and

WHEREAS, said General Aviation Flying Service, Inc. is the absolute and unconditional owner of all the issued and outstanding membership interest of voting shares of the Assignee; and

WHEREAS, this Guaranty is made in connection with and incidental to the exercise by the Guarantor of its corporate rights, powers, privileges and franchises and in fulfillment of its corporate purposes and objects; and

WHEREAS, the Guarantor has agreed, in order to induce the Port Authority to enter into the Agreement to guarantee the payment of all monetary obligations of the Assignee stated in the Agreement and the performance by the Assignee of all the terms, conditions, covenants and provisions of the Agreement on its part to be kept, performed, observed and fulfilled; and

WHEREAS, this Contract of Guaranty is made in connection with and incidental to the exercise by the Guarantor of its corporate rights, powers, privileges and franchises, and in fulfillment of its corporate purposes and objects; and

WHEREAS, the making of the Agreement between the Port Authority and the Assignee will inure to the benefit of the Guarantor and enhance its business and improve its situation;

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

1. The Guarantor does hereby absolutely and unconditionally guarantee, promise and agree that the Assignee will duly and punctually pay all of the monetary obligations set forth in the Agreement and will fully and faithfully perform, observe and fulfill each and every promise, agreement, condition, term and provision contained in the Agreement to be performed, observed and fulfilled by the Assignee.

2. The Guarantor waives and dispenses with any notice of non-payment, non-performance or non-observance, or proof of notice or demand whereby to charge it therefor, and agrees that the validity of this Contract of Guaranty and the obligations of the Guarantor hereunder shall in nowise be terminated,

affected or impaired by reason of any failure of the Port Authority to insist upon strict performance under the Agreement, or by the assertion by the Port Authority against the Assignee of any of the rights or remedies reserved to the Port Authority pursuant to the provisions of the Agreement or by the withdrawal, discontinuance or settlement of any judicial or other proceedings brought by the Port Authority against the Assignee.

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

(a) The release or discharge of the Assignee in any creditor's receivership, bankruptcy or other similar proceeding; or

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

(c) The rejection or disaffirmance of the Agreement in any creditor's receivership, bankruptcy or other similar proceeding; or

(d) Any disability or any defense of the Assignee.

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

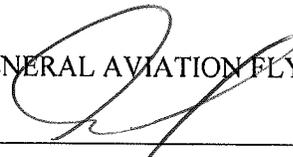
5. Acceptance of this Contract of Guaranty and reliance thereon by the Port Authority shall be evidenced by the execution of the Agreement by the Port Authority without any further act or notice. If, for any reason, any part of the obligations of the Guarantor hereunder shall be held invalid or unenforceable, the balance of such obligations shall nevertheless remain in full force and effect. Failure physically to attach a copy of the Agreement to this Contract of Guaranty shall not void, alter or affect this Contract of Guaranty, or alter or amend the obligations of the Guarantor hereunder.

IN WITNESS WHEREOF, the Guarantor caused these presents to be executed this 17 day of July, 2014.

ATTEST:


Secretary

GENERAL AVIATION FLYING SERVICE, INC

By 

(Title) President
(Corporate Seal)

Print Name: Dennis O'Connell

CERTIFICATE OF SECRETARY

I, *Carol S. Forster*, Secretary of GENERAL AVIATION FLYING SERVICE, INC. do hereby certify as follows:

1. That General Aviation Flying Service, Inc. is the absolute and unconditional owner of all of the membership interest of Meridian Aircraft Service LLC.; and

2. That said General Aviation Flying Service, Inc. is the absolute and unconditional owner of all the membership interest of the voting shares of the capital stock of Meridian Aircraft Service LLC., a limited liability company of the State of New Jersey; and

3. That the following is a full, true and correct copy of a resolution adopted by unanimous vote of the Board of Directors of General Aviation Flying Service, Inc, present at a meeting duly called and held on the *1st* day of *JUNE*, 2014, in accordance with law and with the charter and by-laws of the said corporation, at which a quorum was present; and that the said resolution has not been altered or repealed and is now in full force and effect:

"RESOLVED, that in order to induce the Port Authority of New York and New Jersey to enter into Supplement No. 3 to the Use and Operating Agreement made as of the 1st day of June, 2014, and identified by Port Authority Agreement No. TAA-304 with Meridian Aircraft Service LLC, Inc., as Assignee (a copy of which is before this Board and shall be deemed a part of this resolution as if set forth herein at length) whereby the Port Authority will grant to the Assignee the privilege to use and occupy the Space thereunder in accordance with Section 4 of the said Use and Occupancy Agreement, at Teterboro Airport, as the Port Authority shall consent to, and this corporation shall guarantee the obligations of Meridian Aircraft Service LLC. under such Agreement; and be it further

RESOLVED, that in the judgment of the Board of Directors of this corporation such action will effectuate the purposes and objects of this corporation, inure to its benefit and promote, enhance and develop its business, interests and assets; and be it further

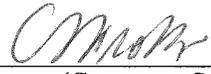
RESOLVED, that the President or Vice-President of this corporation be and he hereby is authorized and directed to make, execute and deliver on behalf and in the name of this corporation a contract of guaranty, guaranteeing such obligation; and be it further

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

4. That the purpose of this certificate is to induce The Port Authority of New York and New Jersey to enter into a Supplemental Agreement with Meridian Aircraft Service LLC. at Teterboro Airport with the intent that the Port Authority of New York and New Jersey, its agents and representatives, shall rely on the truth of the matters contained herein.

IN WITNESS WHEREOF, I have signed my name and affixed the corporate seal this 17th day of July, 2014.

Secretary



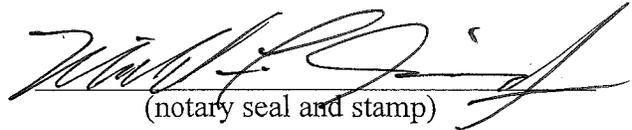
(Corporate Seal)

For the Port Authority

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

On the 1st day of December in the year 2014, before me, the undersigned, a Notary Public in and for said state, personally appeared David Kagan

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


(notary seal and stamp)

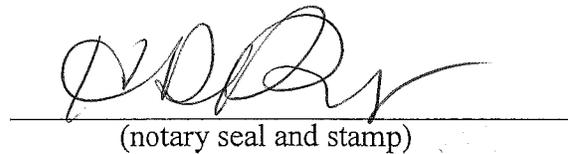
MICHAEL F. SCHMIDT
Notary Public, State of New York
No. 01SC6118149
Qualified in New York County
Commission Expires November 1, 20 16

For the Assignor

STATE OF New Jersey)
)ss.:
COUNTY OF Bergen)

On the 14th day of July in the year 2014, before me, the undersigned, a Notary Public in and for said state, personally appeared Steve Chandona

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


(notary seal and stamp)

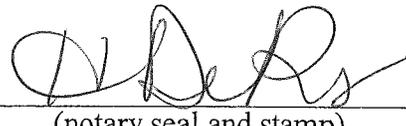
Heather DeRegis
NOTARY PUBLIC OF NEW JERSEY
NOTARY D.# 2355761 N.J. SEY
My Commission Expires 1/30/2017

For the Assignee

STATE OF *New Jersey*)
COUNTY OF *Bergen*)ss.:)

On the *17th* day of *July* in the year 2014, before me, the undersigned, a Notary Public in and for said state, personally appeared *Kenneth C. Forester*

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



(notary seal and stamp)

Heather DeRegis
NOTARY PUBLIC OF NEW JERSEY
I.D. # 2355161
My Commission Expires 1/30/2017