

Torres Rojas, Genara

FOIA 13107

**From:** Collette@etsairshuttle.com  
**Sent:** Friday, April 06, 2012 4:12 PM  
**To:** Duffy, Daniel  
**Cc:** Torres Rojas, Genara; Van Duyne, Sheree  
**Subject:** Freedom of Information Online Request Form

Information:

First Name: Collette  
Last Name: Stephens  
Company: ELLIS TRANSPORTATION SERVICE  
Mailing Address 1: 5322 Church Ave  
Mailing Address 2:  
City: Brooklyn  
State: NY  
Zip Code: 11203  
Email Address: [Collette@etsairshuttle.com](mailto:Collette@etsairshuttle.com)  
Phone: 7182215341  
Required copies of the records: Yes

List of specific record(s):

Copy of all contracts for Ellis Transportation Service and New York City NYC Airporter.

**THE PORT AUTHORITY OF NY & NJ**

Daniel D. Duffy  
FOI Administrator

May 30, 2012

Ms. Collette Stephens  
Ellis Transportation Service  
5322 Church Avenue  
Brooklyn, NY 11203

Re: Freedom of Information Reference No. 13107

Dear Ms. Stephens:

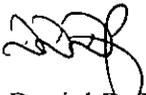
This is a response to your April 6, 2012 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of all contracts between the PA and Ellis Transportation Service for NYC airports.

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/13107-LPA.pdf>. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt from disclosure pursuant to Ex. (1) of the Code.

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

Very truly yours,



Daniel D. Duffy  
FOI Administrator

: For Port Authority Use Only.

: Permit Number: AGT-417

**HIGH VOLUME SCHEDULED COACH SERVICE BETWEEN VARIOUS LOCATIONS WITHIN THE BOROUGH OF MANHATTAN, LINCOLN HARBOR, WEEHAWKEN, NJ, AND JOHN F. KENNEDY INTERNATIONAL AND LAGUARDIA AIRPORTS**

**PRIVILEGE PERMIT**

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

- 1. **PERMITTEE:** Golden Touch Transportation of NY, Inc.
- 2. **PERMITTEE'S ADDRESS:** 45-02 Ditmars Blvd, Suite 19 Astoria, NY 11105
- 3. **PERMITTEE'S REPRESENTATIVE:** Mr. Thomas Herrschaft
- 4. **PRIVILEGE:** As set forth in Special Endorsement No. 1 hereof.
- 5. **FEES:** As set forth in Special Endorsement No. 4 hereof.
- 6. **EFFECTIVE DATE:** January 1, 2011
- 7. **EXPIRATION DATE:** December 31, 2021, unless sooner revoked, terminated or extended pursuant to paragraph 2 (i) of the Special Endorsements as herein provided.
- 8. **EXHIBITS:** 1- Insurance Schedule , 2 - Motor Coach Services

Dated: As of January 5, 2011

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

By [Signature]  
 Name David Kagan  
 Assistant Director (Please Print Clearly)  
 Business, Properties & Airport Development  
 (Title)

Port Authority Use Only:	
Approval as to Terms:	Approval as to Form:
<u>V.V.</u>	<u>WF</u>

Golden Touch Transportation of NY, Inc.  
Permittee

By [Signature]  
 Name Thomas Herrschaft  
 (Please Print Clearly)  
 (Title) President

## TERMS AND CONDITIONS

### 1. Definitions:

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

(a) "*Air Cargo*" shall mean cargo transported to or from the Airport by aircraft owned or operated by an Approved Aircraft Operator.

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

(c) "*Airport*" shall mean, as applicable:

(i) LaGuardia Airport, consisting of certain premises identified as "LaGuardia Airport" on Sheet LGA-1 of Exhibit A, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease, and

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

(d) "*Approved Aircraft Operator*" shall mean an Aircraft Operator which the General Manager of the Airport has authorized to conduct its aircraft operations at the Airport and if such Aircraft Operator is subleasing or subusing space, or has a ground handling agreement or other agreement at the Airport with an Aircraft Operator, a lessee or other Person at the Airport which requires the consent of the Port Authority, each such subleasing, subuse, ground handling agreement or other agreement has been consented to in writing by the Port Authority.

(e) "*Basic Percentage Fee*" shall have the meaning given such term in Section 4(a)(i) hereof.

(f) "*Cargo Aircraft*" shall mean aircraft engaged solely and exclusively in the carriage of Air Cargo.

(g) "*Cargo Handling and Ramp Service*" shall mean all or any of the following services for or in connection with Air Cargo:

- (i) representation and accommodation;
- (ii) load control and communications;
- (iii) unit load device control, handling and administration in connection with Cargo Aircraft;

(iv) flight operations and crew administration in connection with Cargo Aircraft, including but not limited to obtaining and providing meteorological reports, briefing and debriefing flight crews, preparing and filing flight plans, dispatching and receiving messages in connection with flight and ground operations, maintaining station logs and filing necessary reports with governmental agencies, preparing weight and balance plans, maintaining flight watch and arranging hotel accommodations for flight crews;

(v) pickup and delivery of Air Cargo, air express and mail to and from appropriate locations (allowed or designated from time to time by the Port Authority for such pickup and delivery) on the Airport;

(vi) preparation of documentation associated with Air Cargo, including but not limited to cargo manifests, airway bills and customs clearance documentation;

(vii) distribution of Air Cargo;

(viii) reception of Air Cargo to be shipped from the Airport;

(ix) temporary warehousing, sorting and storage of Air Cargo;

(x) supervision and administration;

(xi) courier services;

(xii) guiding Cargo Aircraft in and out of gate or loading or unloading positions and parking Cargo Aircraft;

(xiii) providing, positioning/removing, and operating appropriate units for engine starting for Cargo Aircraft;

(xiv) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew members and other persons, ballast, potable water, mail, air express, Air Cargo and supplies onto and from aircraft and trucks, and performing such loading and unloading and reporting irregularities;

(xv) providing a fire guard equipped with the necessary and appropriate fire fighting equipment for Cargo Aircraft;

(xvi) towing of Cargo Aircraft;

(xvii) ramp control tower services for Cargo Aircraft;

(xviii) Cargo Aircraft servicing, including interior and exterior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, and toilet service;

(xix) conversion operations and services consisting of the removal of seats from convertible-type aircraft, so as to convert the same to Cargo Aircraft, and from Cargo Aircraft to Passenger Aircraft by the installation of seats;

(xx) ramp area cleaning;

(xxi) Gateside Aircraft Maintenance of Cargo Aircraft, it being specifically understood, however, that Routine and Non-routine Aircraft Maintenance, as distinguished from Gateside Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder;

(xxii) mobile fueling, on the Permittee's own account, for automotive and other ramp equipment using mobile tender vehicles or other equipment as may be approved from time to time by the General Manager of the Airport;

(xxiii) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport;

(xxiv) deicing to the exterior of aircraft of Approved Aircraft Operators at such locations on the Airport as may from time to time be designated by the General Manager of the Airport;

(xxv) triturator operations and maintenance;

(xxvi) snow removal; and

(xxvii) security services for and in connection with Air Cargo and Cargo Aircraft.

(h) "City" shall mean the City of New York.

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

(j) "Cleaning Service" shall mean all or any of the following services:

(i) the cleaning, repairing and installing of upholstery, carpeting and curtains in aircraft and linens used on aircraft;

(ii) the complete interior and exterior cleaning of aircraft, the removal and disposal of waste material and providing water service, cooling and heating, and toilet service;

(iii) conversion operations and services consisting of the removal of seats from convertible-type aircraft so as to convert the same to Cargo Aircraft and from Cargo Aircraft to Passenger Aircraft by installation of seats;

(iv) ramp area cleaning services; and

(v) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport.

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

(l) "*Environmental Requirement*" shall mean all common law and all past, present and future laws, statutes, enactments, resolutions, regulations, rules, directives, ordinances, codes, licenses, permits, orders, memoranda of understanding and memoranda of agreement, guidances, approvals, plans, authorizations, concessions, franchises, requirements and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, all pollution prevention programs, "best management practices plans", and other programs adopted and agreements made by the Port Authority (whether adopted or made with or without consideration or with or without compulsion), with any government agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof, and all judicial, administrative, voluntary and regulatory decrees, judgments, orders and agreements relating to the protection of human health or the environment, and in the event that there shall be more than one compliance standard, the standard for any of the foregoing to be that which requires the lowest level of a Hazardous Substance, the foregoing to include without limitation:

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

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

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

(n) "*Gateside Aircraft Maintenance*" shall mean such emergency transit and turnaround maintenance performed on the aircraft of an Aircraft Operator as may be performed in the time such aircraft is permitted to be and remain at the aircraft gate position or hardstand at which such maintenance is to be performed and which is performed by or required by law, rule or regulation to be performed by or under the supervision of a licensed aircraft mechanic or other person specifically licensed, certified or approved by governmental authority having jurisdiction, including the rental or equipment and tools in the connection therewith. It is specifically understood that the performance of any other aircraft maintenance, including but not limited to Routine and Non-routine Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder.

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

(p) "*Gross Receipts*" shall mean all amounts, monies, revenues, receipts and income of every type paid or payable to the Permittee for sales made and for services rendered at or from the Airport, regardless of when or where the order therefor is received, and outside the Airport, if the order therefor is received at the Airport, and any other amounts, monies, revenues, receipts and income of any type arising out of or in connection with the Authorized Service, provided,

however, there shall be excluded from Gross Receipts any taxes imposed by law which are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee. The Permittee's Recovery Fee, as hereinafter defined, if any, shall be included within Gross Receipts and shall be subject to the fees set forth under Section 4 of this Permit.

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

(r) "*In-Terminal Handling Service*" shall mean all or any of the following services for or in connection with passengers of Passenger Aircraft:

- (i) furnishing interpreters for the assistance of non-English-speaking passengers;
- (ii) inbound and outbound passenger baggage handling services, including but not limited to checking, weighing, handling and storage of aircraft baggage;
- (iii) selling of tickets for air transportation;
- (iv) checking in and boarding aircraft passengers;
- (v) porter service for passenger baggage;
- (vi) passenger assistance, passenger information service, flight information and public address paging and announcements;
- (vii) supervisory and administrative functions on behalf of Approved Aircraft Operators in conjunction with the Permittee's performance of the other activities constituting a part of the In-Terminal Handling Service;
- (viii) the arrangement of ground transportation of crew, passengers and baggage;
- (ix) handicapped services;
- (x) security and pre-board screening;
- (xi) building janitorial and maintenance; and
- (xii) lounge hosting services.

(s) "*Passenger Aircraft*" shall mean aircraft owned or operated by an Approved Aircraft Operator engaged primarily in the transportation of passengers by aircraft to and from the Airport.

- (t) "*Passenger Ramp Service*" shall mean all or any of the following services for or in connection with Passenger Aircraft:
- (i) representation and accommodation;
  - (ii) load control and communications on ramp;
  - (iii) unit load device control, handling and administration;
  - (iv) baggage handling and sorting, including delivering baggage to and from Passenger Aircraft and to and from baggage facilities, provided, however, no permission is hereby given for the Permittee to deliver baggage from one terminal to another unless they are part of the same premises; sorting baggage in baggage makeup facilities; and delivering baggage to and from interline system permittees;
  - (v) guiding Passenger Aircraft in and out of gates or loading and unloading positions and parking Passenger Aircraft;
  - (vi) furnishing and placing in position and thereafter removing the necessary and appropriate steps, stands and power equipment for the safe and efficient loading and unloading of crew, passengers, baggage, ballast, potable water, mail, air express, Air Cargo and supplies from and onto Passenger Aircraft and trucks, and perform such loading and unloading and reporting irregularities;
  - (vii) deicing to the exterior of aircraft of Approved Aircraft Operators at such locations on the Airport as may from time to time be designated by the General Manager of the Airport;
  - (viii) providing, positioning/removing, and operating appropriate units for engine starting;
  - (ix) providing a fire guard equipped with the necessary and appropriate fire fighting equipment;
  - (x) towing of Passenger Aircraft;
  - (xi) ramp control tower services for Passenger Aircraft;
  - (xii) Passenger Aircraft servicing, including exterior and interior cleaning, the removal and disposal of aircraft waste material and providing water service, cooling and heating, toilet service, and rearranging cabin equipment;
  - (xiii) ramp area cleaning;
  - (xiv) mobile fueling on the Permittee's own account for automotive and other ramp equipment using mobile tender vehicles or other equipment as may be approved from time to time by the General Manager of the Airport;
  - (xv) Gateside Aircraft Maintenance of Passenger Aircraft, it being specifically understood, however, that Routine and Non-routine Aircraft Maintenance, as distinguished from Gateside Aircraft Maintenance, is hereby prohibited unless expressly provided for hereunder;
  - (xvi) flight operations and crew administration including but not limited to obtaining and providing meteorological reports, briefing and debriefing flight crews, preparing

and filing flight plans, dispatching and receiving messages in connection with flight and ground operations, maintaining station logs and filing necessary reports with governmental agencies, preparing weight and balance plans, maintaining flight watch and arranging hotel accommodations for flight crews;

(xvii) ramp transportation for crew, passengers and baggage;

(xviii) supervisory and administrative functions on behalf of Approved Aircraft Operators of Passenger Aircraft;

(xix) the rental, on the Permittee's own account, of ground service equipment, vehicles and parts and of ramp equipment, vehicles and parts to Approved Aircraft Operators at the Airport, and the provision, on the Permittee's own account, of a maintenance and/or management service for ground service equipment, vehicles and parts and ramp equipment, vehicles and parts owned or operated by Approved Aircraft Operators at the Airport;

(xx) catering liaison and administration;

(xxi) triturator operations and maintenance;

(xxii) snow removal; and

(xxiii) security services for passengers and baggage, cargo and mail, catering, and on aircraft, ramp and other designated areas.

(u) "*Permitted Areas*" shall mean with respect to the Authorized Service the following areas of the Airport and only such areas:

(i) those areas where the Permittee is authorized pursuant to a separate lease, permit or other written agreement (other than this Permit) with the Port Authority to provide such Authorized Service;

(ii) any area which pursuant to a written agreement the Port Authority has either leased to a third Person or has otherwise permitted a third Person to use and occupy and where (x) the Permittee performs such Authorized Service on such area for such Person or has obtained permission from such Person to perform such Authorized Service for an Approved Aircraft Operator on such area and (y) the performance of such Authorized Service for such Approved Aircraft Operator on such area is permitted by a written agreement with the Port Authority covering such area; or

(iii) such areas as may hereafter be designated in writing by the Port Authority for the performance of such privileges by the Permittee, it being understood and agreed that the Port Authority shall have the right at any time and from time to time to revoke, cancel, change or alter any such designation.

(v) "*Permittee's Recovery Fee*" shall mean any surcharge or other amount that the Permittee may separately state and charge its customers to recover the fee, or portion thereof, payable under this Permit.

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

(x) "Routine and Non-routine Aircraft Maintenance" shall mean all work including but not limited to the inspection, maintenance, servicing, testing, overhaul, cleaning, conversion, repair and installation of parts and supplies on aircraft and on aircraft parts of Approved Aircraft Operators performed by or required by law, rule or regulation to be performed by or under the supervision of a licensed aircraft mechanic or other person specially licensed, certified or approved by governmental authority, including the rental of tools and equipment in connection therewith.

2. Effective Date, Termination and Revocation:

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

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

(c) In the event the Port Authority exercises its right to revoke this Permit for any reason other than "without cause", the Permittee shall be obligated to pay to the Port Authority an amount equal to all costs and expenses reasonably incurred by the Port Authority in connection with such revocation, including without limitation any and all personnel and legal costs (including but not limited to the cost to the Port Authority of in-house legal services) and disbursements incurred by it arising out of, relating to, or in connection with the enforcement or revocation of this Permit including, without limitation, legal proceedings initiated by the Port Authority to exercise its revocation rights and to collect all amounts due and owing to the Port Authority under this Permit.

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

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

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

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

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

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

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

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

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

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

3. Exercise of Rights:

(a) The rights granted hereby shall be exercised

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

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

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

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

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

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

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

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

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

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

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

(g) The Permittee shall have no right hereunder to carry on any business or operation at the Airport other than that specifically provided herein. Without limiting the generality of the foregoing and notwithstanding anything else in this Permit to the contrary, the Permittee is expressly prohibited hereunder from performing ground transportation, fueling of aircraft and the selling and delivery of in-flight meals.

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

which similar rights and privileges have been previously granted to others shall constitute a violation or breach of the permission herein granted.

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

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

4. Fees:

(a) (i) The Permittee agrees to pay to the Port Authority, at the times set forth in and in accordance with paragraph (a)(ii) below, a percentage fee (the "*Basic Percentage Fee*") equal to five percent (5%) (as the same may be increased pursuant to paragraph (k) below) of Gross Receipts.

(ii) Gross Receipts shall be reported and the Basic Percentage Fee shall be paid to the Port Authority by the Permittee as follows: On or before the twentieth (20th) day of the first month following the month in which the Effective Date falls and on the twentieth (20th) day of each and every calendar month thereafter during the period that this Permit is in effect and including the calendar month in which this Permit ceases to be in effect, the Permittee shall render to the Port Authority a monthly statement sworn to by a responsible executive or fiscal officer of the Permittee showing all of the Gross Receipts for the preceding month (the "Monthly Sworn Statement of Gross Receipts"). Each of the said statements shall also show the cumulative Gross Receipts from the Effective Date (or the most recent anniversary thereof) through the last day of the preceding month. At the same time each of the said statements is rendered to the Port Authority, the Permittee shall pay to the Port Authority an amount equal to five percent (5%) applied to the Gross Receipts for the preceding calendar month. In addition to the foregoing, on the twentieth (20th) day of the first month following each anniversary of the Effective Date the Permittee shall submit to the Port Authority a statement setting forth the cumulative totals of the Gross Receipts for the entire preceding twelve (12) month period certified, at the Permittee's expense, by a certified public accountant or a responsible executive or fiscal officer of the Permittee ("Annual Statement of Gross Receipts"). In addition to the foregoing, within twenty (20) days after the expiration, termination, revocation or cancellation of this Permit, the Permittee shall render to the Port Authority a sworn statement certified, at the Permittee's expense, by a certified public accountant of all Gross Receipts during the period from the last preceding anniversary of the Effective Date up to and including the last day this Permit shall be in effect and the Permittee shall, at the time of rendering such statement to the Port Authority, pay the Basic Percentage Fee due and unpaid as of the last day this Permit shall be in effect. The Permittee shall give the name and position of the responsible executive or fiscal officer designated under this paragraph to submit Monthly Sworn Statement and Annual Statement of Gross Receipts, ten (10) business days prior to the submission of the first such statement by the designee of the Permittee, so that the Port Authority may determine whether it will accept such designation. The designation shall be submitted to the Manager of Properties for the Airport. If such timely notice is not given to the Port Authority, the Permittee shall submit such statement to the Port Authority in a form executed by a certified public accountant.

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

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY  
P.O. BOX 95000-1556  
PHILADELPHIA, PENNSYLVANIA 19195-0001

or made via the following wire transfer instructions:

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

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

(c) There shall be excluded from Gross Receipts any sum paid or payable to the Permittee for the following, provided said sum is separately stated to and paid by the customer:

- (i) handicapped services;
- (ii) security services;
- (iii) lost and found baggage services;
- (iv) snow removal services;
- (v) ground transportation of employees; and
- (vi) building janitorial and maintenance services,

provided further, however, the Permittee acknowledges and agrees that the Port Authority does and shall continue to have the right at any time and from time to time to withdraw the foregoing exclusions from Gross Receipts, in whole or in part, or to establish a separate fee for each such service, which may be a percentage fee other than five percent (5%), upon sixty (60) days' prior written notice to the Permittee. Notwithstanding the foregoing, any fee established must be agreed to by the Permittee and the Port Authority and must be reflected in a supplement to this Permit to be prepared by the Port Authority and executed by the parties hereto.

(d) In the event the Permittee shall be permitted hereunder to provide Gateside Aircraft Maintenance or Routine and Non-routine Aircraft Maintenance services, there shall be excluded from Gross Receipts any sum paid or payable to the Permittee:

(i) which arise solely from the resale to a customer of aircraft parts and supplies purchased by the Permittee from a third party, provided, however, that there shall be included in Gross Receipts monies paid or payable to the Permittee which arise from the sale of such aircraft parts and supplies to which the Permittee has provided labor for fabrication, refinishing or assembly to the extent of the reasonable value of the labor provided by the Permittee;

(ii) which arise solely from the use of equipment rented by the Permittee from a third party which monies are separately stated to and paid by the customer, limited, however, to the amounts actually paid by the Permittee to the third party for such rental of equipment; and

(iii) which arise solely from the loan or rental by the Permittee of aircraft parts, whether or not owned by the Permittee, which monies are separately stated to and paid by a customer and where said loan or rental of any such aircraft part is for a period of less than twelve (12) consecutive calendar days, it being understood that such monies paid or payable to the Permittee for the loan or rental may include monies for labor provided by the Permittee for installation, refurbishment of returned parts or administrative handling which is directly related

to said loan or rental provided, however, all monies paid or payable to the Permittee which arise solely from the loan or rental by the Permittee of aircraft parts, whether or not owned by the Permittee, for twelve (12) or more consecutive calendar days (including but not limited to monies for labor provided by the Permittee for installation, refurbishment of returned parts or administrative handling which is directly related to said lease or rental) shall be included in Gross Receipts from the first day of the loan or rental period, as the case may be.

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

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

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

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

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

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

(k) The Basic Percentage Fee and any other fees payable under this Permit shall be subject to increase from time to time upon thirty (30) days' notice from the Port Authority to the

Permittee, given by the General Manager of the Airport or such other representative as the Port Authority may substitute from time to time by notice to the Permittee, and upon the effective date of the increase set forth in such notice the fees payable by the Permittee under this Permit shall be as set forth in said notice. In the event within ten (10) days after the Permittee receives such notice from the Port Authority, the Permittee notifies the Port Authority that the Permittee does not wish to pay the increased fees, this Permit and the permission granted hereunder shall be, and shall be deemed to be, cancelled effective at the close of business on the day preceding the effective date of the increase, as set forth in the Port Authority's notice to the Permittee. If the Permittee does not so notify the Port Authority, the increased fees shall become effective on the date set forth in the Port Authority's notice as aforesaid. No cancellation of this Permit and the permission granted thereunder pursuant to this paragraph (k) shall be construed to relieve the Permittee of any obligations or liabilities hereunder which shall have accrued on or before the effective date of such cancellation.

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

5. Security Deposit:

(a) (i) Provided that an amount is set forth in Item 8 on the first page of this Permit (the "*Required Security Deposit*"), and, provided, further, the amount of said Required Security Deposit is less than \$20,000.00, upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the Required Security Deposit, either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the Required Security Deposit is returned to the Permittee, any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the Required Security Deposit, or any part thereof, in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the Required Security Deposit itself shall cure any default or breach of this Permit on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in

whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the Required Security Deposit to the sum specified in Item 8 on the first page of this Permit. In the event that the Port Authority shall at any time or times so use the Required Security Deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the amount set forth in Item 8 on the first page of this Permit, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the Required Security Deposit at all times to the full amount above stated in Item 8 on the first page of this Permit, and such additional deposits shall be subject to all the conditions of this Section. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the Required Security Deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the Required Security Deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

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

Required Security Deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the effective period of the permission granted under this Permit and fulfillment of the obligations of the Permittee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

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

(c) The Permittee acknowledges and agrees that the Port Authority reserves the right, in its sole discretion at any time and from time to time upon sixty (60) days' notice to the Permittee, to adjust the amount of the Required Security Deposit. Not later than the effective date set forth in said notice by the Port Authority, the Permittee shall furnish additional cash or bonds, as provided for in paragraph (a) above, or an amendment to, or a replacement of, the letter of credit providing for such adjusted amount of the Required Security Deposit, as the case may be, and such additional cash and/or bonds or adjusted (or replaced) letter of credit shall thereafter constitute the Required Security Deposit required under this Section.

(d) If the Permittee is obligated by any other agreement to maintain a security deposit with the Port Authority to insure payment and performance by the Permittee of all fees, rentals,

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

6. Permittee's Operations:

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

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

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

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

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

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

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

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

7. Indemnity:

(a) The Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal costs and expenses incurred in connection with the defense of) all claims and demands of third Persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee in performing or observing any term or provision of this Permit, or out of the operations of the Permittee hereunder, or out of any of the acts or omissions of the Permittee, its officers, employees or Persons who are doing business with the Permittee arising out of or in connection with the activities permitted hereunder, or arising out of the acts or omissions of the Permittee, its officers or employees at the Airport, including claims and demands of the City against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with the said City.

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

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

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

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

8. Liability Insurance:

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

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

(c) All insurance coverages and policies required under this Section may be reviewed by the Port Authority for adequacy of terms, conditions and limits of coverage at any time and from time to time during the effective period of permission granted under this Permit. The Port Authority may, at any such time, require additions, deletions, amendments or modifications to the aforementioned insurance requirements, or may require such other and additional insurance, in such reasonable amounts, against such other insurable hazards, as the Port Authority may deem required and the Permittee shall promptly comply therewith.

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

statutes respecting suits against the Port Authority." The foregoing provisions or endorsements shall be recited in each policy or certificate to be delivered pursuant to the following paragraph (e).

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

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

9. Special Endorsements:

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

10. No Waiver:

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

11. Removal of Property:

The personal property placed or installed by the Permittee at the Airport shall remain the property of the Permittee and must be removed on or before the expiration, revocation, cancellation or termination of the permission hereby granted, whichever shall be earlier. Without limiting the terms and provisions of paragraph (g) of Section 18 hereof, any such

property remaining at the Airport after the effective date of such expiration, revocation, cancellation or termination shall be deemed abandoned by the Permittee and may be removed and disposed of by the Port Authority in any manner it so determines in its sole discretion and all the proceeds of any removal or disposition shall be retained by the Port Authority for its account and all costs and expenses of such removal and disposition shall be paid to the Port Authority by the Permittee when billed.

12. Permittee's Representative:

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

13. Notices:

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

14. Late Charges:

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

shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

15. Non-discrimination:

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

(b) The Permittee shall include the provisions of paragraph (a) of this Section in every agreement or concession it may make pursuant to which any Person or Persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.

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

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

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

16. Affirmative Action:

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

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

17. Rules and Regulations:

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

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

18. Prohibited Acts

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

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

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

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

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

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

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

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

(b) The Permittee shall not dispose of, release or discharge nor permit anyone to dispose of, release or discharge any Hazardous Substance on the Airport except that the Permittee may release or discharge de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder so long as such release or discharge is not a violation of the terms and conditions of Sections 17 or 19 hereof. In addition to and without limiting Section 19 hereof, any Hazardous Substance disposed of, released or discharged by the Permittee (or permitted by the Permittee to be disposed of, released or discharged) on the Airport shall upon notice by the Port Authority to the Permittee and subject to the provisions of Sections 17 and 19 hereof and to all Environmental Requirements, be completely removed and/or remediated by the Permittee at its sole cost and expense, provided, however, the forgoing shall not apply to releases and discharges which are in compliance with the terms and conditions of Sections 17 and 19 hereof of de-icing fluids utilized in the Permittee's ordinary course of business in the performance of any of the privileges granted hereunder and the obligation of the Permittee to remove and remediate such de-icing fluids shall be as required by the terms and conditions of Sections 17 and 19 hereof. The obligations of the Permittee pursuant to this paragraph shall survive the expiration, revocation, cancellation or termination of this Permit.

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

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

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

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

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

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

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

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

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

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

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

19. Law Compliance:

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

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

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

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

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

20. Trademarks and Patent Infringement:

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

21. Inspection:

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

22. Federal Aid:

(a) The Permittee shall

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

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

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

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

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

23. Capacity and Competition:

(a) The Permittee shall refrain from entering into continuing contracts or arrangements with any third Person for furnishing services covered hereunder when such

contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

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

24. Business Development and Records:

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

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

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

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

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

(v) permit and/or cause to be permitted in ordinary business hours during the effective period of this Permit, for one (1) year thereafter, and during such further period as is mentioned in the preceding paragraphs (a)(iii) and (a)(iv), the examination and audit by the officers, employees and representatives of the Port Authority of all the records and books of account of the Permittee (including without limitation all corporate records and books of account which the Port Authority in its sole discretion believes may be relevant for the identification,

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

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

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

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

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

(ii) if any Books and Records are maintained outside of the Port of New York District, then the Port Authority in its sole discretion may (x) require on ten (10) days' notice to the Permittee that any such Books and Records be made available to the Port Authority within the Port of New York District for examination and audit pursuant to paragraph (a)(v) hereof and/or (y) examine and audit any such Books and Records pursuant to paragraph (a)(v) at the location(s) they are maintained and if such Books and Records are maintained within the contiguous United States the Permittee shall pay to the Port Authority when billed all travel costs and related expenses, as determined by the Port Authority, for Port Authority auditors and other representatives, employees and officers in connection with such examination and audit and if such Books and Records are maintained outside the contiguous United States the Permittee shall pay to the Port Authority when billed all costs and expenses of the Port Authority, as determined by the Port Authority, of such examination and audit, including but not limited to, salaries, benefits, travel costs and related expenses, overhead costs, and fees and charges of third party auditors retained by the Port Authority for the purpose of conducting such audit and examination.

(c) In the event that upon conducting an examination and audit as described in this Section the Port Authority determines that unpaid amounts are due to the Port Authority by the Permittee (the "*Audit Findings*"), the Permittee shall be obligated, and hereby agrees, to pay to the Port Authority a service charge in the amount equal to five percent (5%) of the Audit Findings. Each such service charge shall be payable immediately upon demand (by notice, bill or otherwise) made at any time therefor by the Port Authority. Such service charge (s) shall be exclusive of, and in addition to, any and all other moneys or amounts due to the Port Authority by the Permittee under this Permit or otherwise. Such service charge shall not be payable if the Port Authority has received, for each month covered by the examination and audit period, the Monthly Sworn Statement of Gross Receipts, as provided in Section 4(a)(ii). No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid service charge shall be deemed a waiver of the right of the Port Authority of payment of any late charge(s) or other service charge(s) payable under the provisions of this Section with respect to such unpaid amount. Each such service charge shall be and become fees, recoverable by the Port Authority in the same manner and with like remedies as if it were originally a part of the fees to be paid. Nothing in this Section is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit, including, without limitation, the Port Authority's rights to revoke this Permit or (ii) any obligations of the Permittee under this Permit.

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

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

25. Rates and Charges:

The Permittee shall establish rates and discounts therefrom which are in compliance with Section 22 hereof (each such rate and discount is hereinafter called an "*Established Rate*"). Upon request by the Port Authority, the Permittee shall provide the Port Authority its rates and discounts therefrom for goods and services furnished hereunder. If the Permittee applies any rate in excess of the Established Rate therefor or extends a discount less than the Established Discount therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an overcharge which will, upon demand of the Port Authority or the Permittee's customer, be promptly refunded to the customer. If the Permittee applies any rate which is less than the Established Rate therefor or extends a discount which is in excess of the Established Rate therefor, the amount by which the charge based on such actual rate or actual discount deviates from a charge based on the Established Rate shall constitute an undercharge and an amount equivalent thereto shall be included in Gross Receipts hereunder and the Basic Percentage Fee shall be payable in respect thereto. Notwithstanding any repayment of overcharges to a customer by the Permittee or any inclusion of undercharges in Gross Receipts any such overcharge or undercharge shall constitute a breach of the Permittee's obligations hereunder and the Port Authority shall have all remedies consequent upon such breach which would otherwise be available to it at law, in equity or by reason of this Permit.

26. Other Agreements:

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

27. City Lease Provisions:

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

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

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

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

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

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

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

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

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

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

28. Counterclaims:

The Permittee specifically agrees that it shall not interpose any claims as counterclaims in any action for non-payment of fees or other amounts, which may be brought by the Port Authority unless such claims would be deemed waived if not so interposed.

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

(a) The Permittee acknowledges that the failure of the Permittee to cease to perform the Authorized Service at the Airport from the effective date of such expiration, revocation or termination will or may cause the Port Authority injury, damage or loss, and the Permittee hereby assumes the risk of such injury, damage or loss and hereby agrees that it shall be responsible for the same and shall pay the Port Authority for the same whether such are foreseen or unforeseen, special, direct, consequential or otherwise and the Permittee hereby expressly agrees to indemnify and hold the Port Authority harmless against any such injury, damage or loss. The Permittee acknowledges that the Port Authority reserves all its legal and equitable rights and remedies in the event of such failure by the Permittee to cease performance of the Authorized Service.

(b) The Permittee hereby acknowledges and agrees that, subject to the foregoing, all terms and provisions of this Permit shall be and continue in full force and effect during any period following such expiration, revocation or termination.

30. Governing Law:

This permit and any claim, dispute or controversy arising out of, under or related to this permit shall be governed by, interpreted and construed in accordance with the laws of the State of New York, without regard to choice of law principles.

31. Miscellaneous:

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

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

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

(d) This Permit, including the attached Special Endorsements, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof. This Permit may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee or except by notice as specifically set forth in Sections 4 and 13 hereof. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

Initialed:

V.V.  
For the Port Authority

TH  
For the Permittee

## SPECIAL ENDORSEMENTS

1. (a) Whenever the terms "Facility", "Airport" or "Airports" appear in the Permit, they shall be deemed to mean LaGuardia Airport and John F. Kennedy International Airport, all or each as the case may be or the context may require.

(b) The words "permission" and "privilege" are used interchangeably in this Permit.

(c) The term "Manager of the Airport" shall mean "General Manager of the Airport" as the context may require with respect to each Airport.

(e) The term "LaGuardia Airport" shall mean the area consisting of certain premises identified as the Currently Designated Bus Stops at LaGuardia Airport on Exhibit 2, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

(f) The term "John F. Kennedy International Airport" shall mean the area consisting of certain premises identified as the Currently Designated Bus Stops at John F. Kennedy International Airport on Exhibit 2, and more particularly described in Exhibit B, annexed to the City Lease, and such other property as may be acquired in connection with and added to such premises pursuant to the terms of the City Lease.

2. (a) The Permittee is hereby granted the non-exclusive privilege to use the routes, roads and ways of John F. Kennedy International Airport and LaGuardia Airport (hereinafter collectively referred to as the "Airports") as may from time to time be designated by the Port Authority in connection with providing all labor, supervision, materials, equipment, and all other things necessary for the provision of High Volume Scheduled Motor Coach Services ("Motor Coach Services") for all persons and their luggage desiring transportation, including but not limited to the following locations:

(i) Departing and/or arriving at John F. Kennedy International Airport and LaGuardia Airport and arriving and/or departing the Grand Central Terminal vicinity in Manhattan. All drop-off and pick-up locations must be approved by the Port Authority in writing. The Permittee shall also provide frequent Motor Coach Services to the Port Authority Bus Terminal in Manhattan, and the Sheraton Lincoln Harbor Hotel in Weehawken, New Jersey;

(ii) Departing and/or arriving at John F. Kennedy International Airport and arriving and/or departing LaGuardia;

(iii) Departing and/or arriving Grand Central Terminal vicinity;

(iv) Departing and/or arriving Grand Central Terminal vicinity and selected hotels and arriving and/or departing office buildings approved by the Port Authority in Midtown, Manhattan.

(b) The Permittee shall have no right hereunder to carry on or conduct any business operation or service at the Airports other than as specifically set forth herein. Notwithstanding the definition of Motor Coach Services as set forth above, the Permittee shall not provide said services to and from points within the Central Terminal Area of the Airports where the airline passenger terminal facilities are located. The Permittee shall not solicit business on the public areas of the Airports or otherwise station personnel thereat and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying devices or the distribution of written materials, except in the manner and for so long as is otherwise authorized by the Port Authority, in writing, which authorization may be revoked at any time. The Port Authority hereby authorizes the stationing of uniformed customer service personnel at Airport bus stops that will provide information and assistance to passengers. Such authorization may be revoked at any time.

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

(d) The conveyances to be operated by the Permittee in providing Motor Coach Services shall all be of a type of motor vehicle especially adapted therefor. Such conveyances shall be constructed and equipped and of such number, size and type as in the judgment of the Port Authority shall fulfill the requirements of providing Motor Coach Services, and the use of each such conveyances shall be subject to the prior and continuing approval of the Port Authority. The Permittee shall maintain all such conveyances in good repair, order and appearance, shall keep them clean at all times and shall keep them heated whenever used during the months of October, November, December, January, February, March and April of each year. No vehicle utilized by the Permittee in performing the High Volume Scheduled Coach Service shall be moved unless and until all persons therein are seated.

(e) The Permittee shall submit to the Port Authority, for its prior written approval, the schedules to be maintained by it in providing the High Volume Scheduled Coach Service. All subsequent changes in the said schedules shall be approved by the Port Authority. The Permittee shall give to the Port Authority such further written information with respect to the schedules or other aspects of the Motor Coach Service as the Port Authority may from time to time and at any time request. Regular schedules shall be calculated to provide satisfactory transportation for all persons arriving by air. At the request of the Port Authority, to meet emergencies or unusual traffic conditions, the Permittee shall use all reasonable efforts to supply expanded or additional service. On the effective date of this Permit, the Permittee shall provide service as described in Exhibit 2, attached hereto and made a part hereof. The Permittee shall be required to maintain a website showing a current schedule of service shall be available to customers on board all vehicles, at all times.

(f) Motor Coach Services shall be provided on the basis of a separate charge to each passenger using Service, to the locations described above, with the exception of

such points as may be specified from time to time in a notice to the Permittee from the Port Authority.

(g) The Permittee shall make only fair and reasonable charges for Motor Coach Services. All rates and charges shall be filed with the Port Authority.

(h) The Permittee must have the requisite operating authority issued by the appropriate regulatory entity(s) including but not limited to New York State Department of Transportation (NYSDOT), New Jersey Department of Transportation (NJDOT) and/or the United States Surface Transportation Board (USSTB) at the commencement of this Permit.

(i) The initial term of this Permit (hereinafter called the "Base Term") shall commence on or about the date specified above. The Port Authority unilaterally reserves the right to extend this permit for additional Two (2) consecutive Five (5) year terms, the first option period to commence January 1, 2022 (hereinafter referred to as the "Option Period(s)") following the Expiration Date of the Base Term, upon the same terms and conditions and fees to this Permit provided in the Section 4 herein. If the Port Authority shall elect to exercise the Option(s) to extend this Permit, then, no later than thirty (30) days prior to the Expiration Date, the Port Authority shall send a notice that it is extending the Base Term of this Permit, and this Permit shall thereupon be extended for the applicable Option Period(s).

3. (a) In addition to the privilege hereunder granted to the Permittee pursuant to the provisions of Paragraph No. 2 and subject to all the terms, conditions and endorsements of this Permit, the Port Authority hereby grants to the Permittee the privilege to install advertising material on specific areas of vehicles used to provide Motor Coach Service as shall be approved in advance in writing by the Port Authority.

(b) No advertising material or any other material, fixture or equipment utilized in connection therewith, shall be placed, installed or operated by the Permittee on any vehicle used to provide the High Volume Scheduled Coach Service unless the Port Authority has given its prior approval as to the type, size, quality, kind, form, substance and character of the same including the contents thereof and the operation and maintenance thereof and unless any such and the content thereof and the operation and maintenance thereof meet with the continuing approval of the Port Authority. Any such advertising material, including the content thereof and the installation and maintenance thereof, which does not continue to meet with the approval of the Port Authority shall be immediately removed by the Permittee on notice from the Port Authority.

(c) All arrangements of the Permittee with third parties for the display of informational, promotional or advertising matter installed by the Permittee on any vehicle

used to provide High Volume Scheduled Coach Services shall be represented by written agreements with such third parties. True copies of all executed agreements shall be delivered by the Permittee upon request to the Port Authority. Without limiting the foregoing, the Permittee agrees that each such agreement entered into by it shall contain provisions making such agreement subject to all the provisions of this Permit and specifically stating that no party thereto shall obtain thereunder privileges greater than those granted under this Permit. All monies paid or payable to or received or receivable by the Permittee for or in connection with any informational, promotional, advertising or other material or information displayed, shown exhibited or disseminated by the Permittee, including charges for normal placement, installation, operation and maintenance thereof shall be fully set forth in the Permittee's third-party agreements.

(d) The Permittee recognizes and understands that it shall not commence any installation or placement work on any designated vehicle used to provide High Volume Scheduled Coach Services unless the Port Authority's final approval of the design and type of advertising material to be installed or placed therein and the method and matter of the installation or placement work to be performed, as referred to in paragraph (a) of Special Endorsement No. 2 thereof, has been obtained by the Permittee as provided for therein.

(e) Notwithstanding Paragraph 2 of the Terms and Conditions, The Port Authority shall have the right to terminate the privilege set forth in sub-paragraph (a) this paragraph, without cause upon twenty-four (24) hours' notice to the Permittee. The Port Authority shall also have the right to re-institute the privilege upon twenty-four (24) hours notice to the Permittee. All advertising and other forms of publicity made by the Permittee in connection with this Permit shall be subject to the prior and continuing approval of the Port Authority.

4. (a) In connection with the performance of the High Volume Scheduled Coach Services the Permittee shall pay to the Port Authority a fee in an amount equal to 15.5000% provided however that in no event shall such fee amount be less than FIVE PERCENT (5%) of gross revenue per Annum, payable in monthly installments.

The monthly fee shall be payable in advance on the effective date and on the first day of each and every month thereafter throughout the balance of the period of the permission hereunder The monthly fee payable by the Permittee shall be escalated during the period of the permission

(b) In addition to the monthly fee and any other charge payable hereunder, the Permittee shall pay to the Port Authority a monthly advertising percentage of Twenty-five percent (25%) of all gross receipts arising from the Permittees operations as referenced in Paragraph 3 of the Special Endorsements hereunder.

The Permittee shall pay the monthly advertising percentage fee set forth in this section as follows: on the twentieth (20<sup>th</sup>) day following the month when such advertising is billed by the

Permittee, and on the twentieth (20<sup>th</sup>) day of each and every month thereafter occurring throughout the effective period of the permission granted hereunder, including the month following the end of the Expiration Date, as defined, the Permittee shall render to the Port Authority a sworn statement showing the gross receipts arising from the Permittee's operations hereunder during the preceding calendar month as well as a detailed list of all vehicles on which advertising was placed, and the Permittee shall pay at the time of rendering the statement an amount equal to the applicable percentages set forth in the preceding paragraph applied to such gross receipts.

(c) All statements to be submitted to the Port Authority pursuant to this Section and all payments made under this Permit, shall be made to The Port Authority of New York and New Jersey, P.O. Box 95000-1517, Philadelphia, Pennsylvania 19195-1517, or made via wire transfer pursuant to the following wire transfer instructions: Name of Bank: TD Bank; Bank ABA Number: 026013673; Account Number: (Ex. 1) or to such other address as may hereafter be substituted therefor by the Port Authority, from time to time, by notice to the Permittee.

5. (a) The Port Authority now operates one or more Welcome Centers (hereinafter singly or collectively, as the case may be, called the "Center" or the "Centers" as such Center or Centers may be modified or relocated by the Port Authority from time to time) in airline terminal buildings ("Terminals") located at the Airports. The Centers are operated to provide schedule, fare and other information to the public.

(b) The Centers shall be the sole means by which the Permittee is represented in Terminals having such Centers. The Permittee shall be represented at each such Center and be provided with a telephone line dedicated for the exclusive use by customers to contact the High Volume Scheduled Coach permittee to arrange for pick-up at the terminal.

(c) The Port Authority will use reasonable efforts to engage a third-party contractor or contractors who will agree to staff the Centers approximately sixteen hours per day (except as may be otherwise determined by the Port Authority) with an individual, or individuals ("Center Personnel"), who will provide services to the extent practical, to the public.

(d) The Port Authority will provide designated space for the pick-up and drop-off of customers.

(e) The Port Authority may, by notice, cease operation of a Center or relocate the designated pick-up / drop-off space upon twenty-four (24) hours written notice to the Permittee. Such cessation of operation of a Center or all the Centers or relocation of the designated space shall not be deemed a revocation of this Permit.

(f) The Port Authority reserves the right to publish or post information at the Welcome Centers or elsewhere relative to the service provided by the Permittee.

6. The Permittee shall not permit any of its employees to enter the Airport terminals except for drivers actively engaged in loading or discharging passengers having already made arrangements with the Permittee except with the written permission of the Port Authority, which may be revoked at any time.

7. (a) All vehicles used to provide service under the Permit shall be compliant with the Americans with Disabilities Act (ADA) and meet the highest standards of safety, reliability, baggage capacity, and sustainability (fuels and emissions). All vehicles shall have interior luggage racks. All vehicles shall have a seating capacity of not less than twenty-five (25) passengers, including the driver. Underbody storage of luggage is preferred, although in-vehicle luggage racks may be substituted for a small number of seats, subject to Port Authority approval. All vehicles shall be alternative fuel vehicles or be equipped with the best available after-treatment technology to reduce particulate emissions. After-treatment technology shall be subject to Port Authority review and approval.

(b) All vehicles shall be designed and constructed so that no projection extends beyond the exterior of the rear end of the bus. In particular, all rear bumpers shall be concealed and the exterior designed and constructed to prevent any person from hitching rides thereon. In addition, on the exterior of each bus shall be written the name of the Permittee, the number of such bus (which shall be assigned by the Permittee), the seating capacity and standing room, and the destination of the bus, all of which shall be plainly visible from the outside and illuminated when necessary. Any legal or official notice, regulation or order as to the control or management of buses as required by law, ordinance or otherwise, or as directed by the Port Authority or other authority having jurisdiction, shall be displayed inside or upon the buses.

(c) No coach shall exceed a maximum width of eight feet-six inches (8.5'); a maximum weight of forty-five thousand (45,000 lbs) pounds, including passengers, fuel, water, oil and any other material and accessories carried therein; and a maximum length of forty-five (45') feet. Any and all buses greater than forty (40') feet must be approved by the Port Authority prior to being placed in service by the Permittee. If possible, Proposers should make every attempt to furnish and operate coaches no greater than thirty-five feet (35') in length for service to LaGuardia Airport.

(d) The successful Permittee shall maintain a minimum of twenty-five (25) vehicles for the purposes of providing the service pursuant to the Permit, a minimum of twenty (20) of which must be operated in the course of the Proposer's day-to-day operations.

(e) The Permittee agrees that it shall respond within five (5) days to any passenger complaint letters, noting the corrective action taken and/or providing an explanation of the incident satisfactory to the Port Authority.

(f) The Permittee agrees that its drivers shall refrain from smoking, eating, drinking or using portable electronic devices while passengers are in its vehicles.

8. Neither a partnership nor any joint venture is hereby created, notwithstanding the fact that the fee to be paid hereunder is determined by the gross receipts from the operations hereunder of the Permittee. The granting of a privilege hereby shall not be construed to prevent or limit the granting of similar privileges at the Airports to another or to others, whether by use of this form of permit or otherwise.

9. The Permittee shall not enter into any agreement or understanding, express or implied, binding or non-binding, with any other person who may furnish the Service which will have the effect of (a) fixing rates and charges to be paid by users of the Service; (b) lessening or preventing competition between the Permittee and such other furnisher of the Service; or (c) tending to create a monopoly on the Airports in connection with the furnishing of the Service.

10. Without limiting the provisions of Standard Terms and Conditions No. 17, the Permittee shall procure all licenses, certificate permits, franchises or other authorization from all governmental authorities, if any, having jurisdiction over the operations of the Permittee, which may be necessary for the conduct of the Service. Neither the issuance of this Permit nor anything contained herein shall be or be construed to be a grant of any franchise, consent, license, permit, right or privilege of any nature or kind whatsoever to operate omnibuses, taxicabs or any other vehicles or conveyances carrying passengers or property whether for hire or otherwise, outside the Airports, or over the public streets or roads of or located in any municipality or county in the States of New York or New Jersey.

11. The routes, roads and ways within each Airport over which the Permittee may operate its vehicles shall be those from time to time designated by the Port Authority. The Port Authority makes no representations as to the condition of any route, road or way and does not agree to keep the same unobstructed or fit for use. No closing by the Port Authority of any route, road or way, whether temporary or permanent, whether or not such closing involves a route, road or way previously used by the Permittee hereunder, and no such closing by any governmental authority, whether of a route, road or way within or outside the Airports, and whether or not at the request or with the consent of the Port Authority, shall constitute or be deemed a diminution of the privileges granted by this Permit, or shall relieve the Permittee of any of its obligations hereunder. The Permittee shall pick up and discharge passengers only at the point or points within the Airports which may be from time to time designated by the Port Authority.

12. (a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of **THREE HUNDRED TEN THOUSAND DOLLARS (\$310,000)**, either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be

borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Permittee any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Permit on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Special Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefor by the Permittee, the Port Authority will return the deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of an administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

(b) The Permittee may at any time during the effective period of the permission under this Permit offer to deliver to the Port Authority, as security for all obligations of the Permittee under this Permit, a clean irrevocable letter of credit issued by a banking institution satisfactory to the Port Authority and having its main office within the Port of New York District, in favor of the Port Authority in the amount of **THREE HUNDRED TEN THOUSAND DOLLARS (\$310,000)**. The form and terms of such letter of credit, as well as the institution issuing it, shall be subject to the prior and continuing approval of the Port Authority. Such letter of credit shall provide that it shall continue throughout the effective

period of the permission under this Permit and for a period of not less than six (6) months thereafter; such continuance may be by provision for automatic renewal or by substitution of a subsequent satisfactory letter. Upon notice of cancellation of a letter of credit, the Permittee agrees that unless, by a date twenty (20) days prior to the effective date of cancellation, the letter of credit is replaced by security in accordance with paragraph (a) of this Special Endorsement or another letter of credit satisfactory to the Port Authority, the Port Authority may draw down the full amount thereof and thereafter the Port Authority will hold the same as security under paragraph (a) of this Special Endorsement. Failure to provide such a letter of credit at any time during the effective period of the permission, under this Permit, valid and available to the Port Authority, including any failure of any banking institution issuing any such letter of credit previously accepted by the Port Authority to make one or more payments as may be provided in such letter of credit shall be deemed to be a breach of this Permit on the part of the Permittee. Upon acceptance of such letter of credit by the Port Authority, and upon request by the Permittee made thereafter, the Port Authority will return the security deposit, if any, theretofore made under and in accordance with the provisions of paragraph (a) of this Special Endorsement. The Permittee shall have the same rights to receive such deposit during the existence of a valid letter of credit as it would have to receive such sum upon expiration of the permission under this Permit and fulfillment of the obligations of the Permittee hereunder. If the Port Authority shall make any drawing under a letter of credit held by the Port Authority hereunder, the Permittee on demand of the Port Authority and within two (2) days thereafter, shall bring the letter of credit back up to its full amount.

(c) For the purposes of this Special Endorsements, the Permittee hereby certifies that its federal taxpayer identification number is (Ex. 1)

(d) The Permittee acknowledges and agrees that the Port Authority reserves the right, at its sole discretion, to adjust at any time and from time to time upon fifteen (15) days notice to the Permittee, the security deposit amount as set forth in paragraph (a) of this Special Endorsement. Not later than the effective date set forth in said notice the Permittee shall deposit with the Port Authority the new security deposit amount as set forth in said notice which new amount shall thereafter constitute the security deposit subject to this Special Endorsement.

Initialed:

U.U.  
For the Port Authority

JH  
For the Permittee

## EXHIBIT 1 INSURANCE ENDORSEMENT

### **INSURANCE PROCURED BY PERMITTEE**

The Contractor shall take out, maintain, and pay the premiums on Commercial General Liability Insurance, including but not limited to premises-operations, products-completed operations, and independent contractors coverage, with a contractual liability endorsement covering the obligations assumed by the contractor under this contract, AND, if vehicles are to be used to carry out the performance of this Contract, then the Contractor shall also take out, maintain, and pay the premiums on Automobile Liability Insurance covering owned, non-owned, and hired autos in the following minimum limits:

**Commercial General Liability Insurance - \$ 2 million combined single limit per occurrence for bodily injury and property damage liability.**

**Automobile Liability Insurance - \$ 2 million combined single limit per accident for bodily injury and property damage liability.**

**In addition, the liability policy (ies) shall name The Port Authority of NY and NJ as additional insured, including but not limited to premise-operations, products-completed operations on the Commercial General Liability Policy. Moreover, the Commercial General Liability Policy shall not contain any provisions for exclusions from liability other than provisions for exclusion from liability forming part of the most up to date ISO form or its equivalent unendorsed Commercial General Liability Policy. The liability policy (ies) and certificate of insurance shall contain cross-liability language providing severability of interests so that coverage will respond as if separate policies were in force for each insured. These insurance requirements shall be in effect for the duration of the contract to include any warrantee/guarantee period.**

**The certificate of insurance and liability policy (ies) must contain the following endorsement for the above liability coverages:**

***“The insurer(s) shall not, without obtaining the express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.”***

The Contractor shall also take out, maintain, and pay premiums on Workers' Compensation Insurance in accordance with the requirements of law in the state(s) where work will take place, and Employer's Liability Insurance with limits of not less than \$1 million each accident.

Each policy above shall contain a provision that the policy may not be canceled, terminated, or modified without thirty (30) days' prior written notice to the Port Authority of NY and NJ, Att:

Facility Contract Administrator, at the location where the work will take place and to the General Manager, Risk Management.

The Port Authority may at any time during the term of this agreement change or modify the limits and coverages of insurance. Should the modification or change results in an additional premium, The General Manager, Risk Management for the Port Authority may consider such cost as an out-of-pocket expense.

Within five (5) days after the award of this agreement or contract and prior to the start of work, the Contractor must submit an original certificate of insurance, to the Port Authority of NY and NJ, Facility Contract Administrator, at the location where the work will take place. This certificate of insurance MUST show evidence of the above insurance policy (ies), stating the agreement/contract number prior to the start of work. The General Manager, Risk Management must approve the certificate(s) of insurance before any work can begin. Upon request by the Port Authority, the Contractor shall furnish to the General Manager, Risk Management, a certified copy of each policy, including the premiums.

If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the Manager shall so direct, the Contractor shall suspend performance of the contract at the premises. If the contract is so suspended, no extension of time shall be due on account thereof. If the contract is not suspended (whether or not because of omission of the Manager to order suspension), then the Authority may, at its option, obtain insurance affording coverage equal to the above required, the cost of such insurance to be payable by the Contractor to the Port Authority.

Renewal certificates of insurance or policies shall be delivered to the Facility Contract Administrator, Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Risk Management must approve the renewal certificate(s) of insurance before work can resume on the facility. If at any time any of the certificates or policies shall become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy.

The requirements for insurance procured by the Contractor shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Contractor under this contract. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Contractor against the obligations imposed on them by law or by this or any other Contract. *[CITS#3631N]*

## EXHIBIT 2 – HIGH VOLUME SCHEDULED COACH SERVICES

### Information for Bidders:

The Port Authority makes no representations, warranties or guarantees that the information contained herein is accurate, complete or timely or that such information accurately represents the conditions that would be encountered during the Term of the Permit for High Volume Scheduled Coach Services. The furnishing of such information by the Port Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Bidder, by submitting its bid, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of the Port Authority, its directors, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Bidder required by this Bid or Contract and the Bidder agrees that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever.

1. Ridership history:

2009	880,475
2008	795,439
2007	872,895

2. Current base rates:

\$ 12.00	NYC to LGA
\$ 15.00	NYC to JFK
\$ 13.00	LGA to JFK
\$ 20.00	Weehawken, NJ to JFK or LGA

3. Required High Volume Scheduled Coach Service Schedules:

A. Between the Port Authority Bus Terminal (PABT), Grand Central Terminal (GCT) and LaGuardia Airport (LGA)

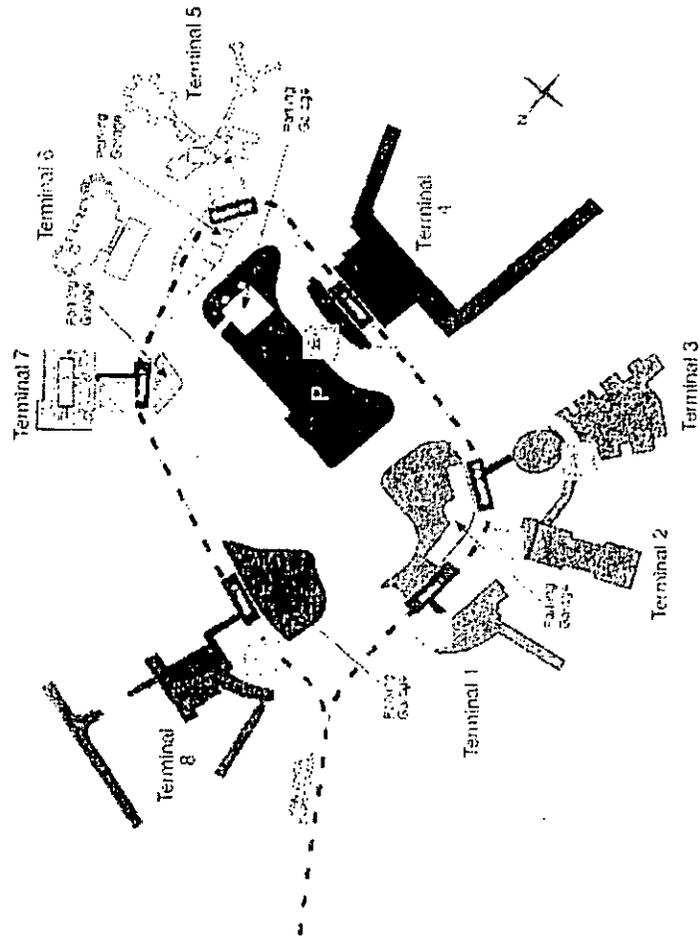
- *every thirty (30) minutes from 5:00 A.M. to 9:10 A.M.,*
- *every twenty (20) minutes between 9:10 A.M. and 5:10 P.M.*
- *every thirty (30) minutes between 5:10 P.M. and 7:40 P.M.*

B. Between LGA and GCT and PABT same comment/q "From LGA to PABT/GCT"

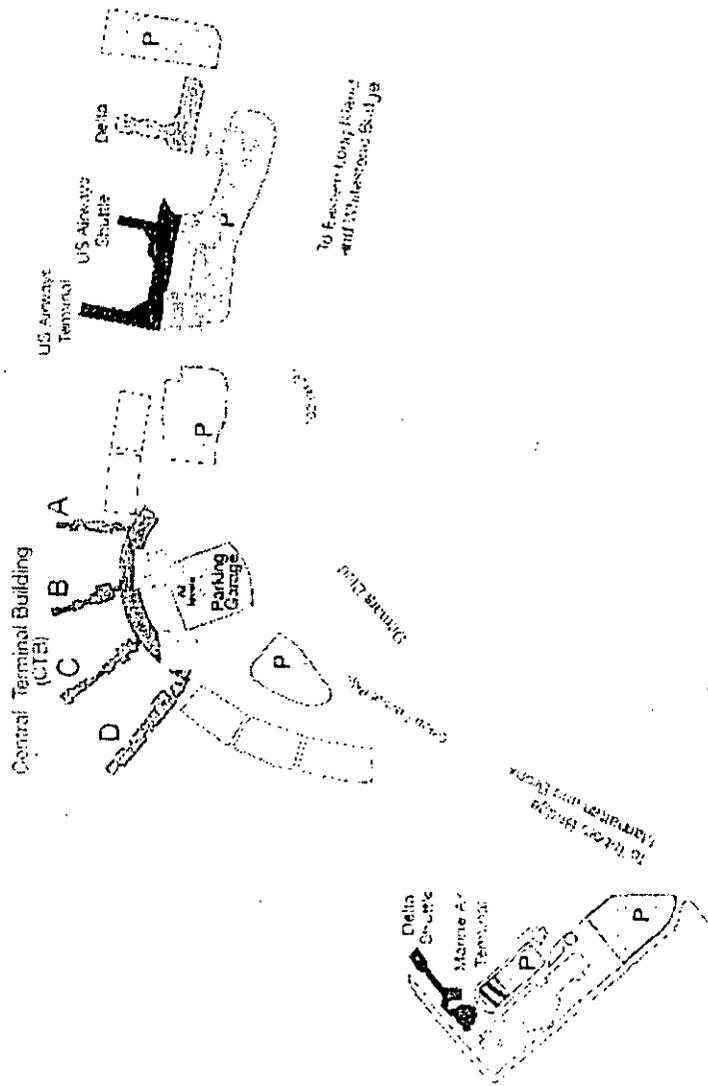
- *every thirty (30) minutes from 7:30 A.M. to 1:00 P.M.*

- *every thirty (30) minutes from 1:40 P.M. to 11:10 P.M.*
- C. Between the Lincoln Harbor hotel (Weehawken, N.J.) and LGA
- *every two (2) hours from approximately 6:00A.M. to 8:00P.M.*
- D. LGA to Lincoln Harbor (Weehawken, N.J.)
- *every two (2) hours from approximately 7:30 A.M. to 9:30 P.M..*
- E. From PABT and GCT to John F Kennedy International Airport (JFK)
- *every thirty (30) minutes from 5:20 A.M. (5:10AM from GCT) to 11:20 A.M.*
  - *every twenty (20) minutes 11:20 A.M. to 7:40 P.M.*
  - *every thirty (30) minutes from 7:40 P.M. to 8:40 P.M. (until 10:00 P.M. from GCT)*
- F. JFK to GCT and PABT
- *every thirty (30) minutes from 6:05 A.M. to 1:35 P.M.*
  - *every twenty (20) minutes from 2:00 P.M. to 7:00 P.M.*
  - *every thirty (30) minutes from 7:30 A.M. to 11:00 P.M.*
- G. Lincoln Harbor (Weehawken, N.J.) to LGA or JFK
- *every two (2) hours from approximately 7:00 A.M. to 9:00 P.M.*
- H. JFK or LGA to Lincoln Harbor (Weehawken, N.J.)
- *every two (2) hours from approximately 8:00 A.M. to 10:00 P.M.*
- I. All other routes shall be operated at least every thirty (30) minutes between the hours of 5:00 A.M. and midnight.

CURRENTLY DESIGNATED BUS STOPS AT JFK AIRPORT



CURRENTLY DESIGNATED BUS STOPS AT LaGUARDIA AIRPORT



**PORT AUTHORITY OF NY & NJ**

**SHARED-RIDE GROUND TRANSPORTATION PERMIT**

**FOR**

**ELLIS TRANSPORTATION SERVICES, INC. DBA ETS  
AIR SHUTTLE  
(AGT-007)**

**THIS PERMIT SHALL NOT BE BINDING UPON THE PORT AUTHORITY UNTIL DULY EXECUTED BY AN EXECUTIVE OFFICER THEREOF, AND DELIVERED TO THE PERMITTEE BY AN AUTHORIZED REPRESENTATIVE OF THE PORT AUTHORITY.**

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

**PRIVILEGED GROUND TRANSPORTATION SERVICE PERMIT**

The Port Authority of New York and New Jersey (herein called the "Port Authority") hereby grants to the Permittee hereinafter named the hereinafter described privilege at the Port Authority Facilities hereinafter named, in accordance with the Terms and Conditions hereof; and the Permittee agrees to pay the fee hereinafter specified and to perform all other obligations imposed upon it in the said Terms and Conditions:

1. FACILITIES: John F. Kennedy International Airport, LaGuardia Airport, and Newark Liberty International Airport
2. PERMITTEE: ELLIS TRANSPORTATION SERVICES, INC D/B/A/ ETS AIR SHUTTLE  
A corporation of the State of New York
3. PERMITTEE'S ADDRESS: 1379 St. John's Place  
Brooklyn, NY 11213
4. PERMITTEE'S REPRESENTATIVE: Mr. Ellis Watson, President
5. PRIVILEGE: As set forth in Special Endorsement No. 1
6. FEE: As set forth in Special Endorsement No. 2
7. EFFECTIVE DATE: May 1, 2007
8. EXPIRATION DATE: April 30, 2012, unless sooner revoked or terminated as provided in Section 1 of the following Terms and Conditions.
9. ENDORSEMENTS: 3.1, 8.0, 9.1, 9.5, 9.6, 10.1, 12.1, 14.1, 16.1, 17.1, 18.1, 19.1, 19.2, 19.3, 22, 23.1, 28 AND SPECIAL

ELLIS TRANSPORTATION SERVICES, INC.

THE PORT AUTHORITY OF NY & NJ

By: Ellis Watson  
Ellis Watson

By: [Signature]

Title: President  
President

Title: Asst. Dir. CCAS

Dated: as of April 30, 2007

APPROVED  
FORM 1  
[Signature] AC

## TERMS AND CONDITIONS

1. The permission granted by this Permit shall take effect upon the effective date hereinbefore set forth. Notwithstanding any other term or condition hereof, it may be revoked without cause, upon thirty (30) days' written notice, by the Port Authority or terminated without cause, upon thirty (30) days' written notice by the Permittee provided, however, that it may be revoked on twenty-four (24) hours' notice if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit, including but not limited to the obligation to pay fees. Unless sooner revoked or terminated, such permission shall expire in any event upon the expiration date set forth above. Revocation or termination shall not relieve the Permittee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation or termination.
2. The rights granted hereby shall be exercised
  - (a) if the Permittee is a corporation, by the Permittee acting only through the medium of its officers and employees,
  - (b) if the Permittee is an unincorporated association, or a "Massachusetts" or business trust, by the Permittee acting only through the medium of its members, trustees, officers, and employees, or
  - (c) if the Permittee is a partnership, by the Permittee acting only through the medium of its partners and employees, or
  - (d) if the Permittee is an individual, by the Permittee acting only personally or through the medium of his employees;and the Permittee shall not, without the written approval of the Port Authority, exercise such rights through the medium of any other person, corporation or legal entity. The Permittee shall not assign or transfer this Permit or any of the rights granted hereby, or enter into any contract requiring or permitting the doing of anything hereunder by an independent contractor. In the event of the issuance of this Permit to more than one individual or other legal entity (or to any combination thereof), then and in that event each and every obligation or undertaking herein stated to be fulfilled or performed by the Permittee shall be the joint and several obligation of each such individual or other legal entity.
3. This Permit does not constitute the Permittee, the agent or representative of the Port Authority for any purpose whatsoever.
4. The operations of the Permittee, its employees, invitees and those doing business with it shall be conducted in an orderly and proper manner and so as not to annoy, disturb or be offensive to others at the Facility. The Permittee shall provide and its employees

shall wear or carry badges or other suitable means of identification and the employees shall wear appropriate uniforms. The badges, means of identification and uniforms shall be subject to the written approval of the Manager of the Facility. The Permittee shall conduct its business operations with the objective of providing courteous service to the public generally in the manner set forth in Exhibit IV annexed hereto and hereby made a part hereof. The Port Authority shall have the right to object to the Permittee regarding the demeanor, conduct and appearance of the Permittee's employees, invitees and those doing business with it, whereupon the Permittee will take all steps necessary to remove the cause of the objection.

5. In the use of the parkways, roads, streets, bridges, corridors, hallways, stairs and other common areas of the Facility as a means of ingress and egress to, from and about the Facility, and also in the use of portions of the Facility to which the general public is admitted, the Permittee shall conform (and shall require its employees, invitees and others doing business with it to conform) to the Rules and Regulations of the Port Authority which are now in effect or which may hereafter be adopted for the safe and efficient operation of the Facility.
6. (a) The Permittee shall indemnify and hold harmless the Port Authority, its commissioners, officers, employees and representatives, from and against (and shall reimburse the Port Authority for the Port Authority's costs and expenses including legal expenses incurred in connection with the defense of) all claims and demands of third persons including but not limited to claims and demands for death or personal injuries, or for property damages, arising out of any default of the Permittee, its officers, employees, and persons who are doing business with it, in performing or observing any terms or provision of this Permit, or our of any of the operations, acts or omissions of the Permittee, its officers, employees, and persons who are doing business with it, including claims and demands of the City of New York or the City of Newark against the Port Authority for indemnification arising by operation of law or through agreement of the Port Authority with either of the said Cities.
- (b) If so directed, the Permittee shall at its own expense defend any suit based upon any such claim or demand (even if such claim or demand is groundless, false or fraudulent), and in handling such it shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal, the immunity of the Port Authority, its Commissioners, officers, agents or employee, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority.
7. The Permittee shall promptly repair or replace any property of the Port Authority damaged by the Permittee's operations hereunder. The Permittee shall not install any fixtures or make any alterations or improvements in or additions or repairs to any property of the Port Authority except with its prior written approval.

8. Any property of the Permittee placed on or kept at the Facility by virtue of this Permit shall be removed on or before the expiration of the permission hereby granted or on or before the revocation or termination of the permission hereby granted, whichever shall be earlier. If the Permittee shall so fail to remove such property upon the expiration, termination, or revocation hereof, the Port Authority may at its option, as agent for the Permittee, remove such property to a public warehouse, or may retain the same in its own possession, and in either event after the expiration of thirty (30) days may sell the same at public auction; the proceeds of any such sale shall be applied first to the expenses of removal, storage and sale, second to any sums owed by the Permittee to the Port Authority; any balance remaining shall be paid to the Permittee. Any excess of the total cost of removal, storage and sale over the proceeds of sale shall be paid by the Permittee to the Port Authority upon demand. Without limiting any other term or provision of this Permit the Permittee shall indemnify and hold harmless the Port Authority, its Commissioners, officers, agents, employees and contractors from all claims of third persons arising out of the Port Authority's removal and disposition of property pursuant to this Section, including claims for conversion, claims for loss or damage to property, claims for injury to persons (including death), and claims for any other damages, consequential or otherwise.
9. The Permittee represents that it is the owner of or fully authorized to use or sell any and all services, processes, machines, articles, marks, names or slogans used or sold by it in its operations under or in any wise connected with this Permit. Without in any wise limiting its obligations under Section 6 hereof the Permittee agrees to indemnify and hold harmless the Port Authority, its Commissioners, officers, employees, agents and representatives of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claims arising out of the operations of the Permittee under or in any wise connected with this Permit.
10. The Port Authority shall have the right at any time as often as it may consider it necessary to inspect the Permittee's machines and other equipment, any services being rendered, any merchandise being sold or held for sale by the Permittee, and any activities or operations of the Permittee hereunder. Upon request of the Port Authority, the Permittee shall operate or demonstrate any machines or equipment owned by or in the possession of the Permittee on the Facility or to be placed or brought on the Facility and shall demonstrate any process or other activity being carried on by the Permittee hereunder. Upon notification by the Port Authority of any deficiency in any machine or piece of equipment, the Permittee shall immediately make good the deficiency or withdraw the machine or piece of equipment from service, and provide a satisfactory substitute.
11. No signs, posters or similar devices shall be erected, displayed or maintained by the Permittee in view of the general public without the written approval of the Manager of the Facility; and any not approved by him may be removed by the Port Authority at the expense of the Permittee.

12. The Permittee's representative hereinbefore specified (or such substitute as the Permittee may hereafter designate in writing) shall have full authority to act for the Permittee in connection with this Permit, and to do any act or thing to be done hereunder, and to execute on behalf of the Permittee any amendments or supplements to this Permit or any extension thereof, and to give and receive notices hereunder.
13. The term "Executive Director" as used herein shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the Executive Director by this Permit; but until further notice from the Port Authority to the Permittee, it shall mean the Executive Director of the Port Authority for the time being, or his duly designated representative or representatives.
14. A bill or statement may be rendered and any notice or communication which the Port Authority may desire to give the Permittee shall be deemed sufficiently rendered or given, if the same is in writing and sent by certified or registered mail addressed to the Permittee at the address specified on the first page hereof or at the address that the Permittee may have most recently substituted therefore by notice to the Port Authority, or left at such address, or delivered to the representative of the Permittee, and the time of rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is mailed, left or delivered as herein provided. Any notice from the Permittee to the Port Authority shall be validly given if sent by registered mail addressed to the Executive Director of the Port Authority at 225 Park Avenue South, New York, New York 10003, or at such other address as the Port Authority as the Port Authority shall hereafter designate by notice to the Permittee.
15. The Permittee agrees to be bound by and comply with the provisions of all endorsements annexed to the Permit at the time of issuance.
16. Neither the Commissioners of the Port Authority nor any officer, agent or employee thereof, shall be charged personally by the Permittee with any liability, or held liable to it, under any term or provision of this Permit, or because of its execution or attempted execution, or because of any breach thereof.
17. This Permit, including the attached endorsements and exhibits, if any, constitutes the entire agreement of the Port Authority and the Permittee on the subject matter hereof and may not be changed, modified, discharged or extended, except by written instrument duly executed on behalf of the Port Authority and the Permittee. The Permittee agrees that no representations or warranties shall be binding upon the Port Authority unless expressed in writing herein.

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

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

If the Permittee should fail to pay any amount required under this Permit when due to the Port Authority, including without limitation any payment of any fixed or percentage fee or any payment of utility or other charges, or if any such amount is found to be due as the result of an audit, then, in such event, the Port Authority may impose (by statement, bill or otherwise) a late charge with respect to each such unpaid amount for each late charge period (hereinbelow described) during the entirety of which such amount remains unpaid, each such late charge not to exceed an amount equal to eight-tenths of one percent of such unpaid amount for each late charge period. There shall be twenty-four late charge periods on a calendar year basis; each late charge period shall be for a period of at least fifteen (15) calendar days except one late charge period each calendar year may be for a period of less than fifteen (but not less than thirteen) calendar days. Without limiting the generality of the foregoing, late charge periods in the case of amounts found to have been owing to the Port Authority as the result of Port Authority audit findings shall consist of each late charge period following the date the unpaid amount should have been paid under this Permit. Each late charge shall be payable immediately upon demand made at any time therefore by the Port Authority. No acceptance by the Port Authority of payment of any unpaid amount or of any unpaid late charge amount shall be deemed a waiver of the right of the Port Authority to payment of any late charge or late charges payable under the provisions of this Endorsement with respect to such unpaid amount. Nothing in this Endorsement is intended to, or shall be deemed to, affect, alter, modify or diminish in any way (i) any rights of the Port Authority under this Permit, including without limitation the Port Authority's rights set forth in Section 1 of the Terms and Conditions of this Permit or (ii) any obligations of the Permittee under this Permit. In the event that any late charge imposed pursuant to this Endorsement shall exceed a legal maximum applicable to such late charge, then, in such event, each such late charge payable under this Permit shall be payable instead at such legal maximum.

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

The Permittee shall

- (a) Furnish good, prompt and efficient service hereunder, adequate to meet all demands therefor at the Airport;
- (b) Furnish said service on a fair, equal and non-discriminatory basis to all users thereof; and
- (c) Charge fair, reasonable and non-discriminatory prices for each unit of sale or service, provided that the Permittee may make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

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

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

- (a) Without limiting the generality of any of the provisions of this Permit, the Permittee, for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby agree that (1) no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of any Space and the exercise of any privileges under this Permit, (2) that in the construction of any improvements on, over, or under any Space under this Permit and the furnishing of services thereon by it, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Permittee shall use any Space and exercise any privileges under this Permit in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, and any other present or future laws, rules, regulations, orders or directions of the United States of America with respect thereto which from time to time may be applicable to the Permittee's operations thereat, whether by reason of agreement between the Port Authority and the United States Government or otherwise.
- (b) The Permittee shall include the provisions of paragraph (a) of this Endorsement in every agreement or concession it may make pursuant to which any person or persons, other than the Permittee, operates any facility at the Airport providing services to the public and shall also include therein a provision granting the Port Authority a right to take such action as the United States may direct to enforce such provisions.
- (c) The Permittee's noncompliance with the provisions of this Endorsement shall constitute a material breach of this Permit. In the event of the breach by the Permittee of any of the above non-discrimination provisions, the Port Authority may take any appropriate action to enforce compliance or by giving twenty-four (24) hours' notice, may revoke this Permit and the permission hereunder; or may pursue such other remedies as may be provided by law; and as to any or all of the foregoing, the Port Authority may take such action as the United States may direct.
- (d) The Permittee shall indemnify and hold harmless the Port Authority from any claims and demands of third persons including the United States of America resulting from the Permittee's noncompliance with any of the provisions of this Endorsement and the Permittee shall reimburse the Port Authority for any loss or expense incurred by reason of such noncompliance.
- (e) Nothing contained in this Endorsement shall grant or shall be deemed to grant to the Permittee the right to transfer or assign this Permit, to make any agreement or concession of the type mentioned in paragraph (b) hereof, or any right to perform any construction on any Space under the Permit.

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

STANDARD ENDORSEMENT NO. 9.6  
AIRPORTS  
AFFIRMATIVE ACTION

The Permittee shall daily remove from the Airport by means of facilities provided by it all garbage, debris and other waster material arising out of or in connection with its operation hereunder.

STANDARD ENDORSEMENT NO. 10.1  
GARBAGE  
AIRPORTS  
7/12/49

The Permittee shall refrain from entering into continuing contracts or arrangements with third parties for furnishing services covered hereunder when such contracts or arrangements will have the effect of utilizing to an unreasonable extent the Permittee's capacity for rendering such services. A reasonable amount of capacity shall be reserved by the Permittee for the purpose of rendering services hereunder to those who are not parties to continuing contracts with the Permittee.

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

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

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

STANDARD ENDORSEMENT NO. 14.1  
DUTIES UNDER OTHER AGREEMENTS  
ALL FACILITIES  
7/21/49

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

The Permittee shall provide and its employees shall wear or carry badges or other suitable means of identification. The badges or means of identification shall be subject to the written approval of the Airport Manager.

STANDARD ENDORSEMENT NO. 16.1  
RULES & REGULATIONS COMPLIANCE  
AIRPORTS  
6/29/62

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

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

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

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

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

STANDARD ENDORSEMENT NO. 18.1  
NO PERSONAL LIABILITY  
ALL FACILITIES  
6/1/50

Notwithstanding any other provisions of this Permit, the permission hereby granted shall in any event terminate with the expiration or termination of the lease of LaGuardia Airport from The City of New York to the Port Authority dated April 17, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated April 17, 1947 has been recorded in the Office of the Register of The City of New York, County of Queens, on May 22, 1947, in Liber 5402 of Conveyances, at pages 319 et seq. No greater rights or privileges are hereby granted to the Permittee than the Port Authority has power to grant under said agreement as supplemented or amended as aforesaid.

"LaGuardia Airport" or "Airport" shall mean the land and premises in The City of New York, in the County of Queens and State of New York, which are shown in green upon the exhibit attached to said agreement between the City and the Port Authority and marked "Map I", and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for air terminal purposes.

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

Notwithstanding any other provisions of this Permit, the permission hereby granted shall in any event terminate with the expiration or termination of the lease of John F. Kennedy International Airport from The City of New York to the Port Authority dated April 17, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated April 17, 1947 has been recorded in the Office of the Register of The City of New York, County of Queens, on May 22, 1947, in Liber 5402 of Conveyances, at pages 319 et seq. No greater rights or privileges are hereby granted to the Permittee than the Port Authority has power to grant under said agreement as supplemented or amended as aforesaid.

"John F. Kennedy International Airport" or "Airport" shall mean the land and premises in The City of New York, in the County of Queens and State of New York, which are shown in green upon the exhibit attached to said agreement between the City and the Port Authority and marked "Map. II", and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for air terminal purposes.

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

ENDORSEMENT NO. 19.2

JFKIA

1/16/64

Notwithstanding any other provision of this Permit, the permission hereby granted shall in any event terminate with the expiration or termination of the lease of Newark International Airport from The City of Newark to the Port Authority under the agreement between the City and the Port Authority dated October 22, 1947, as the same from time to time may have been or may be supplemented or amended. Said agreement dated October 22, 1947 has been recorded in the Office of the Register of Deeds for the County of Essex on October 30, 1947 in Book E-110 of Deeds at pages 242, *et seq.* No greater rights or privileges are hereby granted to the Permittee than the Port Authority has power to grant under said agreement as supplemented or amended as aforesaid.

"Newark International Airport" or "Airport" shall mean the land and premises in the County of Essex and State of New Jersey, which are westerly of the right of way of the Central Railroad of New Jersey and are shown upon the exhibit attached to the said agreement between the City and the Port Authority and marked "Exhibit A", as contained within the limits of a line of crosses appearing on said exhibit and designated "Boundary of terminal area in City of Newark", and lands contiguous thereto which may have been heretofore or may hereafter be acquired by the Port Authority to use for air terminal purposes.

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

STANDARD ENDORSEMENT NO. 19.3  
PARTICULAR FACILITY  
Newark International Airport  
3/15/74

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

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

- (a) will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents or any building thereon, or
- (b) will increase the rate of any fire insurance, extended coverage or rental insurance on the Airport or any part thereof or upon the contents of any building thereon, or
- (c) in the opinion of the Port Authority will constitute a hazardous condition, so as to increase the risks normally attendant upon the operations contemplated by this Permit, or
- (d) may cause or produce upon the Airport any unusual, noxious or objectionable smokes, gases, vapors or odors, or
- (e) may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire-protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Airport, or
- (f) shall constitute a nuisance in or on the Airport or which may result in the creation, commission or maintenance of a nuisance in or on the Airport.

For the purpose of this Endorsement, "Airport" includes all structures located thereon.

STANDARD ENDORSEMENT NO. 22

PROHIBITED ACTS

Airports

7/13/49

(a) Upon the execution of this Permit by the Permittee and delivery thereof to the Port Authority, the Permittee shall deposit with the Port Authority (and shall keep deposited throughout the effective period of the permission under this Permit) the sum of **EIGHTEEN THOUSAND DOLAARS AND NO CENTS (\$18,000)** either in cash, or bonds of the United States of America, or of the State of New Jersey, or of the State of New York, or of the Port Authority of New York and New Jersey, having a market value of that amount, as security for the full, faithful and prompt performance of and compliance with, on the part of the Permittee, all of the terms, provisions, covenants and conditions of this Permit on its part to be fulfilled, kept, performed or observed. Bonds qualifying for deposit hereunder shall be in bearer form but if bonds of that issue were offered only in registered form, then the Permittee may deposit such bonds or bonds in registered form, provided, however, that the Port Authority shall be under no obligation to accept such deposit of a bond in registered form unless such bond has been re-registered in the name of the Port Authority (the expense of such re-registration to be borne by the Permittee) in a manner satisfactory to the Port Authority. The Permittee may request the Port Authority to accept a registered bond in the Permittee's name and if acceptable to the Port Authority the Permittee shall deposit such bond together with an irrevocable bond power (and such other instruments or other documents as the Port Authority may require) in form and substance satisfactory to the Port Authority. In the event the deposit is returned to the Permittee, any expenses incurred by the Port Authority in re-registering a bond to the name of the Permittee shall be borne by the Permittee. In addition to any and all other remedies available to it, the Port Authority shall have the right, at its option, at any time and from time to time, with or without notice, to use the deposit or any part thereof in whole or partial satisfaction of any of its claims or demands against the Permittee. There shall be no obligation on the Port Authority to exercise such right and neither the existence of such right nor the holding of the deposit itself shall cure any default or breach of this Agreement on the part of the Permittee. With respect to any bonds deposited by the Permittee, the Port Authority shall have the right, in order to satisfy any of its claims or demands against the Permittee, to sell the same in whole or in part, at any time, and from time to time, with or without prior notice at public or private sale, all as determined by the Port Authority, together with the right to purchase the same at such sale free of all claims, equities or rights of redemption of the Permittee. The Permittee hereby waives all right to participate therein and all right to prior notice or demand of the amount or amounts of the claims or demands of the Port Authority against the Permittee. The proceeds of every such sale shall be applied by the Port Authority first to the costs and expenses of the sale (including but not limited to advertising or commission expenses) and then to the amounts due the Port Authority from the Permittee. Any balance remaining shall be retained in cash toward bringing the deposit to the sum specified above. In the event that the Port Authority shall at any time or times so use the deposit, or any part thereof, or if bonds shall have been deposited and the market value thereof shall have declined below the above-mentioned amount, the Permittee shall, on demand of the Port Authority and within two (2) days thereafter, deposit with the Port Authority additional cash or bonds so as to maintain the deposit at

all times to the full amount above stated, and such additional deposits shall be subject to all the conditions of this Standard Endorsement. After the expiration or earlier revocation or termination of the effective period of the permission under this Permit, and upon condition that the Permittee shall then be in no wise in default under any part of this Permit, and upon written request therefore by the Permittee, the Port Authority will return the deposit to the Permittee less the amount of any and all unpaid claims and demands (including estimated damages) of the Port Authority by reason of any default or breach by the Permittee of this Permit or any part thereof. The Permittee agrees that it will not assign or encumber the deposit. The Permittee may collect or receive any that it will not assign or encumber the deposit. The Permittee may collect or receive any interest or income earned on bonds and interest paid on cash deposited in interest-bearing bank accounts, less any part thereof or amount which the Port Authority is or may hereafter be entitled or authorized by law to retain or to charge in connection therewith, whether as or in lieu of any administrative expense, or custodial charge, or otherwise; provided, however, that the Port Authority shall not be obligated by this provision to place or to keep cash deposited hereunder in interest-bearing bank accounts.

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

STANDARD ENDORSEMENT NO. 28  
DISTURBANCES  
All Facilities  
6/20/51

**SPECIAL ENDORSEMENTS**

**1. PERMIT PRIVILEGES**

(a) The Permittee is hereby granted the nonexclusive privilege of using the routes, roads and ways of the Airports (as said term is defined in paragraph (b) of Special Endorsement No. 13 hereof) as may from time to time be designated by the Port Authority for the purpose of conducting the Permittee's business at the Airports as described in paragraphs (b) and (c) of this Special Endorsement No. 1.

(b) (i) The Permittee is hereby granted the privilege to provide, and the Permittee hereby agrees to conduct the business of providing, a ground transportation service by chauffeured motor vehicle using only vehicles having a capacity of seven passengers or more, including the driver, which bear proper Port Authority issued vehicle stickers, as further provided in Special Endorsement No. 15 below, for all persons (and their baggage) desiring transportation by the Permittee to and from:

(1) LaGuardia Airport and Newark Liberty International Airport, and

(2) John F. Kennedy International Airport, LaGuardia Airport, Newark Liberty International Airport the Counties of the Bronx, Kings, Queens and Staten Island in the State of New York, and

(3) John F. Kennedy International Airport, LaGuardia Airport and Newark Liberty International Airport on one hand, and all other points in the metropolitan area which the Permittee notifies the Port authority it desires to serve pursuant to subparagraph (b) (ii) on the other hand, on the basis of a separate charge to each passenger using the same (the "represented Service"), with the exception of such points and communities as may be specified from time to time to the Permittee from the Port Authority pursuant to subparagraph (b) (ii) below. On the date hereof such excluded points and communities are:

1. The Counties of Fairfield, New Haven and Hartford in the State of Connecticut, and

2. The County of New York in the State of New York in its entirety (including the Marble Hill section which extends beyond the Harlem River to approximately 228<sup>th</sup> Street from Exterior Street west to Teumissin Terrace View West).

No portion of this subparagraph shall affect or limit the requirements of Standard Endorsement No. 17.1 and Special Endorsement No. 7 of the Permit.

(ii) The Represented Service set forth in this paragraph (b) is sometimes in this Permit collectively called the "Shared-Ride Service". The Permittee shall give notice to the Port Authority and keep the Port Authority advised at all times in writing of:

- (1) the points and communities with respect to which it operates the Shared-Ride Service,
- (2) the schedules and fares to be maintained by the Permittee with respect to all or any part of the Shared-Ride Service and,
- (3) the schedules required to be maintained by the Permittee with respect to the Shared-Ride Service by any regulatory agency whose franchise or license, together with this Permit, authorizes the operation of the Shared-Ride Service hereunder.

Such written notice of changes in points and communities served, schedules and fares shall be given to the Port Authority at least ten (10) working days in advance of the planned changes. The Permittee shall give to the Port Authority such further written information with respect to the schedules or other aspects of the Shared-Ride Service as the Port Authority may from time to time and at any time request. Changes in points and communities served, schedules and fares shall go in effect as requested by the Permittee, except as otherwise provided in a notice to the Permittee from the Port Authority. The Permittee hereby acknowledges that its application for a permit is based on its desire and intention to provide regular service for airline passengers between the Airports and the points and communities as set forth above, and not for the ancillary opportunity to engage in the Additional Service, as such term is defined below, in sub paragraph (d), at the Airports. The foregoing acknowledgment by the Permittee is a special inducement and consideration to the Port Authority in entering into this Permit with the Permittee.

- (iii) The Permittee shall not carry persons or baggage whose origin and destination are each at one of the Airports except with the prior written consent of the Port Authority.
- (d) The Permittee shall operate the Shared-Ride Service on the schedule as submitted in its business plan which in any event shall include service during all hours of flight activity sufficient to meet passenger demand and shall be at a minimum of at least one arrival and one departure from each Airport hereunder every two (2) hours, seven

days a week, during the hours from 7:00 a.m. to midnight, seven days a week, except as is otherwise authorized by the Port Authority, in writing.

- (e) The Permittee is hereby granted the additional non-exclusive privilege to provide a chauffeured motor vehicle service (the "Additional Service") to, at and from the Airports to persons who desire the same using only vehicles having a capacity of seven passengers or more, including the driver, which bear proper Port Authority issued vehicle stickers as further provided in Special Endorsement No. 16 below. The Additional Service shall mean the service by the Permittee of providing an entire vehicle and its driver to one customer, on the basis of a per vehicle charge and where the service is not "Charter Bus Service", as such term is defined in subparagraph (g) below. It is hereby expressly understood and agreed that the privilege granted under this Permit to provide the Additional Service shall not include providing said service to a customer who is an Aircraft Operator, as hereafter defined, and the Permittee hereby expressly agrees that it shall not provide the Shared-Ride Service or the Additional Service to an Aircraft Operator, or to the passengers of an Aircraft Operator when such service is arranged by the Aircraft Operator or its employees, unless the Permittee has separate permit or permits issued by the Port Authority authorizing such service. In no event shall the Permittee indirectly or directly utilize its personnel (except as specifically authorized in writing by the Port Authority) or facilities at the Airports to carry on or conduct any business operation or service at the Airports other than as specifically set forth therein.
- (f) The term "Aircraft Operator" as used in this Permit shall mean (i) a Person, as such term is defined below, owning one or more aircraft which are not leased or chartered to any other Person for operation, and (ii) a Person owning one or more aircraft which are leased or chartered for operation, whether the aircraft so owned, leased or chartered are military or non-military, or are used for private business, pleasure or governmental business, or for carrier or non-carrier operations, or for scheduled or nonscheduled operations or otherwise. Said phrase shall not mean the pilot of an aircraft unless he is also the owner or lessee thereof or a Person, as such term is defined below, to whom it is chartered.
- (g) The term "Person" as used in this Permit shall mean not only a natural person, corporation or other legal entity, but also two or more natural Persons, corporations or other legal entities acting jointly as a firm, partnership, unincorporated association, consortium, joint adventurers or otherwise.
- (h) To qualify for the "Charter Bus Service" exclusion, set forth in subparagraph (d) above, the service of the Permittee must meet all of the requirements set forth in the following definition of "Charter Bus Service." The term "Charter Bus Service" as used in this Permit shall mean the service of the Permittee of (i) providing a bus to a corporation or other commercial, religious or eleemosynary entity for the ground transportation of Persons to or from the Airports, but not between any Airports operated by the Port Authority; (ii) where the bus used by the Permittee therefore has a seating capacity of at least twenty-five (25) passengers including the driver; (iii)

where the customer pays for the service on the basis of the number of bus trips, mileage, time or some other basis but not on the basis of the number of passengers carried; and (iv) where the payment is made on the basis of accounts receivable and payable and not on a cash basis. The foregoing deletion of the Charter Bus Service from the Additional Service shall not create or be deemed to create as to the Permittee or any third party a precedent or a waiver by the Port Authority of its right to include charter bus service as part of the Additional Service or as part of the privilege under any other permit which may be issued by the Port Authority in the future. Accordingly, the Port Authority shall have the right at any time in its sole and absolute discretion on sixty (60) days' written notice to the Permittee to delete the provisions of this paragraph (g), and from and after the effective date of such notice, vehicles used to provide the Charter Bus Service shall be subject to the requirements of this Permit with respect to the Additional Service including without limitation the payment of fees. The Port Authority agrees that it shall not give such notice unless at the same time the Port Authority serves similar notices on all Persons who have permits with the Port Authority at the Airport granting them the privilege of providing the Additional Service.

- (i) The Permittee acknowledges and agrees that Persons may at any time during the effective period of this Permit receive a permit or permits from the Port Authority granting the privilege of carrying employees or passengers of an Aircraft Operator to and from an Airport, the reservation or arrangement for such having been made by or through the Aircraft Operator or its employees or agents.
- (j) It is further understood and agreed that notwithstanding the definition of the Shared Ride Service or the Additional Service as hereinbefore set forth, the Permittee shall not provide said service to and from points within the Central Terminal area of the Airports (said Central Terminal Area being the areas where the airline passenger terminal facilities are located).
- (k) The Permittee shall have no right hereunder to carry on or conduct any business operation or service at the Airports other than as specifically set forth herein. The Permittee shall not solicit business on the public areas of the Airports and the use, at any time, of hand or standard megaphones, loudspeakers or any electric, electronic or other amplifying devices or the distribution of written materials, except as otherwise authorized by the Port Authority, in writing, is hereby expressly prohibited.

**2. PERMITTEE FEES**

- (a) From the effective date of this Permit through January 31, 2008, both dates inclusive, the Permittee shall pay a fee hereunder of Thirty-five Dollars and no cents (\$35.00) per calendar month, per seat (excluding the driver's seat) in each Port Authority stickered vehicle (i) operated by the Permittee hereunder to provide either the Shared-Ride Service or the Additional Service at any time during the calendar month or (ii) which had a Port Authority vehicle sticker issued to it pursuant to Special Endorsement No. 16 below at any time during such calendar month. (The number of

seats in each such vehicle shall be based on the actual number of seats in such vehicle with the seating information appearing on the vehicle registration to be utilized unless the actual number of seats is at variance or except as may be otherwise determined by the Port Authority).

From February 1, 2008 through January 31, 2009 both dates inclusive, the Permittee shall pay a fee hereunder of Forty Dollars and no cents (\$40.00) per calendar month, per seat (excluding the driver's seat) in each Port Authority stickered vehicle (i) operated by the Permittee hereunder to provide either the Shared-Ride Service or the Additional Service at any time during the calendar month or (ii) which had a Port Authority vehicle sticker issued to it pursuant to Special Endorsement No. 16 below at any time during such calendar month.

From February 1, 2009 to January 31, 2012, the Permittee shall pay a fee of Forty-five Dollars and no cents (\$45.00) per calendar month, per seat (excluding the driver's seat) in each Port Authority stickered vehicle (i) operated by the Permittee hereunder to provide either the Shared-Ride Service or the Additional Service at any time during the calendar month or (ii) which had a Port Authority vehicle sticker issued to it pursuant to Special Endorsement No. 16 below at any time during such calendar month.

The Port Authority shall bill the Permittee for fees due for the preceding calendar month which payment shall be due on presentation of the bill by the Port Authority. Such billings shall be based on requests by the Permittee for vehicle stickers pursuant to Special Endorsement No. 16 below, which billings shall be subject to change based upon the actual number of vehicles (i) used by the Permittee hereunder during the preceding calendar month or (ii) which had issued to it a vehicle sticker at any time during the preceding calendar month. Each vehicle sticker surrendered in accordance with the requirements of Special Endorsement No. 16 (c) which is replaced during the same calendar month with another vehicle sticker which is outstanding for the remainder of the calendar month shall be fee payable based on the number of seats in the vehicle for which the sticker was issued on the last day of such calendar month.

- (b) In the event this Permit commences on other than the first day of a calendar month the fee hereunder shall be prorated based on the actual number of the days in such calendar month. In the event this Permit is revoked by the Port Authority effective on a date other than the last day of a calendar month, the fee hereunder shall be prorated based on the actual number of the days in such calendar month. There shall be no abatement or reduction of the fee in the event the Ground Transportation Counter Provisions, as such term is defined below, are suspended or revoked as provided below. In the event that a vehicle is taken out of service during any particular month the Permittee is responsible to pay the fee for that vehicle for the entire month..
- (c) Payments made hereunder shall be sent to the following address and shall include the Port Authority permit number on the face of the check:

The Port Authority of New York and New Jersey  
P.O. Box 95000-1517  
Philadelphia, PA 19195-1517

or via the following wire transfer instructions:

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

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

### 3. GROUND TRANSPORTATION COUNTERS

The terms and provisions of this Special Endorsement No. 3 shall be herein referred to in this Permit as the "Ground Transportation Counter Provisions.

- (a) The Port Authority now operates one or more Consolidated Ground Transportation Information and Reservation Service Counters (hereinafter singly or collectively, as the case may be, called the "Counter" or the "Counters" as such Counter or Counters may be modified or relocated by the Port Authority from time to time) in airline terminal buildings ("Terminals") located at the Airports. The Counters are operated to (i) provide schedule, fare and other information to the public and (ii) to book trips through Counter Personnel, as such term is defined below, to and from the Airport for patrons of various Port Authority Permittees providing Shared-Ride Service which are in good standing under their permits.
- (b) The Counters shall be the sole means by which the Permittee is represented in Terminals having such Counters. The Permittee shall be represented at each such Counter.
- (c) The Port Authority will use reasonable efforts to engage a third-party contractor or contractors who will agree to staff the Counters approximately sixteen hours per day (except as may be otherwise determined by the Port Authority) with an individual, or individuals ("Counter Personnel"), who will provide services to the extent practical, including without limitation, generally the following:
  - (i) Use rate and schedule data compiled from information provided by Port Authority permittees to provide information to the public about available rates and services including services set forth in Special Endorsement No.4;
  - (ii) Make advance bookings for members of the public;
  - (iii) Coordinate passenger departures with permittee representatives,

- (iv) Announce departures to passengers; and
  - (v) Such other services as the Port Authority may, in its direction, deem appropriate.
- (d) The Port Authority may, by notice, cease operation of a Counter upon twenty-four (24) hours written notice to the Permittee. Such cessation of operation of a Counter or all the Counters shall not be deemed a revocation of this Permit.
- (e) The Port Authority reserves the right to relocate or change the configuration of the Counters or any of them. The Port Authority shall notify the Permittee at least twenty-four (24) hours prior to such relocation or change.
- (f) Without limiting the generality of any other provision of this Permit, the Permittee's rights under the Ground Transportation Counter Provisions may be revoked without cause, with respect to one or more Counters, upon thirty (30) days' written notice by the Port Authority, provided, however, that the Permittee's rights under the Ground Transportation Counter Provisions may be revoked on twenty-four hours' notice, with respect to one or more or all Counters if the Permittee shall fail to keep, perform and observe each and every promise, agreement, condition, term and provision contained in this Permit including those contained in the Ground Transportation Counter Provisions, including but not limited to the obligation to pay the fees due under this Permit or to properly display a currently valid vehicle sticker as provided in Special Endorsement No. 16 below. Revocation of the Permittee's rights under the Ground Transportation Counter Provisions shall not abate, reduce or affect the obligation of the Permittee to pay fees hereunder.
- (g) Without limiting the generality of any other provision of this Permit, the Permittee's rights under the Ground Transportation Counter Provisions may be suspended, with or without cause, with respect to one or more Counters, upon twenty-four (24) hours' written notice by the Port Authority for a period, not to exceed thirty (30) days, as the same is stated in such notice, provided however, that the suspension of the Permittee's rights under the Ground Transportation Counter Provisions shall not abate, reduce or affect the obligation of the Permittee to pay fees hereunder. The effective period of any such suspension shall be extended to include the period ending on the date of revocation by the Port Authority, if notice thereof shall be given by the Port Authority during any such period of suspension.
- (h) The Port Authority reserves the right, in its discretion, to utilize Port Authority personnel in lieu of such Counter Personnel as described above, and in such event such Port Authority personnel shall be "Counter Personnel" under this Permit.
- (i) The Port Authority assumes no responsibility for any deficiencies in, or interruption of, operation of the Counters not caused by the Port Authority's willful misconduct.

- (j) Without limiting any other provision of this Special Endorsement, the Port Authority shall not be responsible either for collecting fees due to the Permittee from passengers utilizing its services offered hereunder, or for making the Permittee whole in connection with such fees as may remain unpaid.
- (k) The Permittee agrees that it will cooperate fully with the Port Authority and its contractors to ensure that the operation of the Counters serves the public in a first class manner as, determined by the Port Authority.
- (l) The Permittee agrees that it will pick-up passengers who have requested transportation with it, either directly or through Counter Personnel within 15 minutes of its promised pick-up time.
- (m) The Port Authority reserves the right to publish or post information at the Ground Transportation Counters or elsewhere relative to the standards of service provided by the Permittee.
- (n) No portion of this Special Endorsement shall affect the Port Authority's rights of revocation contained elsewhere in this Permit.

#### 4. OTHER GROUND TRANSPORTATION SERVICES

During the effective period of this Permit, the Port Authority will provide schedule or fare information through personnel at the Ground Transportation Counters regarding all Shared-Ride providers to the geographic area to which the Permittee operates the service including High Volume Scheduled Coach Service, Incidental Scheduled Coach Service and Public Transportation Alternative service as such terms are described below. In addition, personnel at the Ground Transportation Counters may inform passengers of the availability of For-Hire Service, Non-Represented Shared-Ride Service and Waterborne and Airborne Transportation Service, as such terms are defined below, as well as Represented Service.

- (a) "High Volume Scheduled Coach Service" shall mean a ground transportation service operated between points which carries at least 30,000 passengers per month to and from each Airport with at least eighty-five (85%) of the passengers being transported in buses having twenty-five (25) or more seats, including the driver's seat (although in-vehicle luggage racks may be substituted for some small number of seats). A High Volume Scheduled Coach Service provider may represent its service in one or more terminals at the Airports at or adjacent to the Ground Transportation Counters in a similar manner to the representation provided to the Permittee. The Port Authority reserves the right to amend or modify the definition of High Volume Scheduled Coach Service at any time and from time to time.
- (b) "Incidental Scheduled Coach Service" is any service operated on a scheduled basis exclusively in buses having twenty-five (25) or more seats including the driver's seat serving a metropolitan area at least fifty (50) miles from the Airport, which makes a stop at the Airport, and which stop is incidental to stops at other major transportation

facilities such as the Port Authority Bus Terminal in midtown Manhattan. Ground Transportation Counter personnel may give schedule and fare information regarding such services.

- (c) "Public Transportation Alternative Service" includes local scheduled public bus service, subway, Amtrak and commuter railroad service EWR Airtrain, JFK Airtrain and taxi service. Ground Transportation Counter personnel may give schedule and fare information regarding such services.
- (d) "For-Hire Service" is any service operated using vehicles having six (6) or fewer seats, including the driver's seat, on the basis of a per vehicle charge. Ground Transportation Counter personnel give general information regarding such service which service is available through self-service telephone boards at or adjacent to such Counters.
- (e) "Non-Represented Shared-Ride Service" is any service operated in vehicles having seven or more seats, including the driver's seat, with fares on the basis of a separate charge to each passenger, the operator of which service does not have a permit from the Port Authority to provide Privileged Represented Service Permit or Represented Service. In the event that a passenger is seeking service other than the Privileged Represented Service or Represented Service, a list of entities generally offering Non-Represented Shared-Ride Service may be distributed by personnel at the Ground Transportation Counters and the passenger will be free to arrange transportation using a public telephone.
- (f) "Waterborne and Airborne Transportation Service" includes ferries and helicopters. Passengers may obtain such service via shuttle vans or buses operated by either the waterborne or airborne transportation provider or its contractor(s) or the Port Authority or its contractor(s). Information about such providers may be made available through the Ground Transportation Counters.
- (g) "Privileged Represented Service" is any service operated in vehicles having seven or more seats, including the driver's seat, with fares payable on the basis of a separate charge to each passenger, to points and communities designated by the Port Authority, the Port Authority having granted to the operator thereof a Permit which provides that only such operators will be represented at the Ground Transportation Counters with respect to such service as and to the extent provided in such Permit.
- (h) The Port Authority reserves the right to modify the representation of High Volume Scheduled Coach Service, Incidental Scheduled Coach Service, For-Hire Service, Public Transportation Alternative Service and Waterborne and Airborne Transportation Services by personnel at the Ground Transportation Counters if operational conditions at the Airports make the same advisable.

## 5. USE OF INDEPENDENT CONTRACTORS

The Permittee has advised the Port Authority that it desires to operate all or a portion of either or both the Shared Ride Service and the Additional Service hereunder by means of independent contractor arrangements whereby the driver of each vehicle used in performing the Shared Ride Service and the Additional Service (hereinafter in this Permit called the "Independent Contractor Services") will conduct the same on behalf of the Permittee under a form of written agreement (such agreements being hereinafter in this Permit being called the "Independent Contractor Agreements") entered into between the Permittee and each such driver (such drivers being hereinafter in this Permit being called the "Independent Contractor Drivers"). The Port Authority has no objection to the use of the Independent Contractor Drivers to conduct the Independent Contractor Services, as aforesaid, notwithstanding any provision of Section No. 2 of the Terms and Conditions of this Permit or Standard Endorsement No. 12.1 which may conflict or be inconsistent herewith, provided that:

- (i) The Permittee hereby agrees that for all purposes under this Permit, the Independent Contractor Services shall be deemed to be conducted by the Permittee and shall be subject to all the terms, provisions and conditions hereof, including but not limited to the obligations of indemnification, insurance and the payment of all fees and the Permittee shall be fully and completely responsible therefore and all acts and omissions of the Independent Contractor Drivers shall be and shall be deemed to be acts and omissions of the Permittee.
- (ii) The Permittee represents and warrants to the Port Authority that it has and will continue to have all the rights and powers with respect to its Independent Contractor Drivers necessary to insure and enforce immediate and full compliance by the Independent Contractor Drivers with all of the agreements and undertakings of the Permittee under this Permit including, but not limited to, Section 4 of the Terms and Conditions. The Permittee understands and agrees that the representation and warranty of the Permittee under this paragraph is of the essence hereunder and is being relied upon by the Port Authority in granting its consent hereunder.
- (iii) Nothing contained in this Special Endorsement nor the permission granted hereunder nor anything contained in the Independent Contractor Agreement shall or shall be deemed to extend this Permit or the effective period under this Permit or to limit or waive the right of the Port Authority to revoke this Permit and the permission granted hereunder as set forth in Section 1 of the Terms and Conditions of this Permit.
- (iv) The consent under this Special Endorsement No. 5 may be revoked at any time by the Port Authority without cause, on thirty (30) days' notice to the Permittee and such revocation shall be deemed not to affect this Permit and the continuance thereof but this Special Endorsement and the consent granted hereunder shall be deemed of no further force and effect.
- (v) Except to the extent set forth in this Special Endorsement, Section 2 of the Terms and Conditions of this Permit shall apply with full force and effect to all operations of the Permittee under this Permit. Nothing contained herein shall create or be deemed to create any relationship between the Port Authority and the Independent Contractor

Drivers or any of them nor shall any third party rights affecting the Port Authority be created hereby except for the third party rights for the benefit of the Port Authority as specifically provided in paragraph (i) of this Special Endorsement No. 5. In case of any difference between the terms of the Independent Contractor Agreement and this Permit, this Permit shall be controlling, it being merely the intention of the Port Authority to permit the exercise of the Permittee's rights to the extent provided herein by the Independent Contractor Drivers and not to enlarge or otherwise change the permission granted to the Permittee hereunder.

- (vi) The Permittee shall keep and make available to the Port Authority for three years following the expiration, or sooner termination or revocation of this Permit, all Independent Contractor Agreements which it has or may enter into and shall furnish copies thereof to the Port Authority upon request.
- (vii) The Permittee shall provide to the Port Authority for three years following the expiration or sooner revocation or termination of this Permit, such information, data and documents as the Port Authority may request from time to time in connection with the Permittee's Independent Contractor Drivers, including but not limited to, the names and addresses of the Independent Contractor Drivers.
- (viii) Without limiting the generality of the provisions of Standard Endorsement No. 17.1 of this Permit and any other provisions contained in this Permit regarding compliance with governmental requirements and the maintenance of required governmental permissions, the Permittee shall procure and maintain all required licenses, certificates, permits, franchises or other authorizations from all governmental authorities having or asserting jurisdiction over the use of Independent Contractor Drivers by the Permittee hereunder. The requirements of the previous sentence shall include without limitation compliance by the Permittee and all Independent Contractor Drivers with all applicable federal and state statutes or regulations regarding securities or franchising. The foregoing may include requirements of the United States Securities and Exchange Commission, the Trade Practice Regulation of the Federal Trade Commission set forth in 16 CFR, Part 436, as well as any applicable requirements of the State of New Jersey, the State of New York (including without limitation Articles 23(a) and 33 of the General Business Law) and any other State having jurisdiction.
- (ix) The Permittee shall include in all Independent Contractor Agreements it may enter into during the effective period of this Permit and shall amend, effective as of a date prior to the effective date of this Permit, all Independent Contractor Agreements which it has entered into prior to the effective date of this Permit to include, the following provision:

"Notwithstanding any other provision of this Agreement, the Driver (by which is meant the independent contractor or franchisee) acknowledges and agrees that any privilege permit which the Ground Transportation Operator (by which is meant the franchiser or the supplier) has or may

enter into with the Port Authority of New York and New Jersey for the conduct of ground transportation operations to, at and from any Port Authority Airport provides that the Port Authority has no business relationship with any Driver but only with the Ground Transportation Operator (the Ground Transportation Operator being called, in such Port Authority Permit, the "Permittee") and that the Permittee has and has under this Agreement (of which this provision is a part) all the rights and powers with respect to Drivers necessary to insure and enforce immediate and full compliance by the Drivers with all of the agreements and undertakings of the Permittee under such Permit, including the right of the Port Authority to object to the demeanor, conduct and appearance of Drivers and the obligation of the Permittee to remove the cause of such objection. Such Port Authority Permits provide for revocation by the Port Authority without cause on thirty (30) days' written notice to the Permittee. Any consent by the Port Authority to the use of Drivers contained in such Permit may be separately revoked by the Port Authority without cause on thirty (30) days' written notice to the Permittee. The Permit specifically provides that nothing therein contained shall create or shall be deemed to create any relationship between the Port Authority and any Driver: The Permit provides that the Ground Transportation Operator and Drivers must comply with any and all federal state statutes and regulations, which may be applicable to this Agreement and the arrangement created hereby including, without limitation those of the U.S. Federal Trade Commission and the U.S. Securities and Exchange Commission and those of the Attorney General of the State of New York. The Driver and the Ground Transportation Operator both hereby agree that the Port Authority is a third-party beneficiary of the agreement contained in this paragraph."

## **6. CERTIFICATES OF PUBLIC CONVEYANCE**

The Permittee shall furnish to the Port Authority upon the request of the Port Authority therefore at any time and from time to time a copy of its most recent certificate of public convenience and necessity or equivalent certificate issued by the Department of Transportation of the State of New York, the Department of Transportation of the State of New Jersey, any certificate of public convenience and necessity issued by the Surface Transportation Board of the United States of America and any similar license or certificate issued by any municipal or other regulatory body.

## **7. OTHER LICENSES, CERTIFICATES, PERMITS, FRANCHISES OR OTHER AUTHORIZATIONS**

Without limiting the provisions of Standard Endorsement No. 17.1, the Permittee, in its own name, shall procure and maintain in full force and effect throughout the effective period of the

permission granted under this Permit, all licenses, certificates, permits, franchises or other authorization over the operations of the Permittee, which may be necessary for the conduct of its operations, either at the Airports or in rendering the service of which its operation at the Airports is a part. Neither the issuance of this Permit nor anything contained therein shall be or be construed to be a grant of any franchise, consent, license, permit, right or privilege of any nature or kind whatsoever to operate omnibuses, taxicabs or any other vehicles or conveyances carrying passengers or property, whether for hire or otherwise, outside the Airports, or over the public streets or roads of or located in any municipality of the States of New York or New Jersey.

#### **8. PERMITTEE EMPLOYEE RESTRICTIONS AT AIRPORT TERMINALS**

The Permittee shall not permit any of its employees to enter the Airport terminals except for drivers actively engaged in loading passengers having already made arrangements with the Permittee except with the written permission of the Port Authority, which may be revoked at any time.

#### **9. VEHICLE TYPES, RESPONSE TO COMPLAINTS, KNOWLEDGE OF AREAS SERVED AND DRIVER COURTESY**

- (a) The conveyances to be operated by the Permittee pursuant to this Permit shall not be of a model year more than five years old and shall all be of a type of motor vehicle especially adapted for the Shared-Ride Service and the Additional Service to be rendered hereunder. Vehicles generally known as taxicabs and vehicles generally known, as school buses shall not be used in either service permitted under this Permit. Conveyances used in the Shared Ride Service and the Additional Service hereunder shall have a seating capacity of not less than seven passengers including the driver and shall be so constructed and equipped and of such number, size and type as in the judgment of the Port Authority shall fulfill the requirements of the Shared Ride Service and the Additional Service. The foregoing shall not include limousine or sedan type vehicles. The use of such conveyances shall be subject to the prior and continuing approval of the Port Authority. The Permittee shall maintain all conveyances operated by the Permittee pursuant to this Permit in good repair, order and appearance; shall keep them clean at all times; and shall keep them heated whenever requested by the customer during the months of October, November, December, January, February, March and April of each year and air conditioned whenever requested by the customer during the months of May, June, July, August and September each year. The Permittee shall paint, sign and mark the vehicles used in the Shared Ride Service and the Additional Service to identify their use in such service in a prominent and distinctive manner satisfactory to the Port Authority. The Permittee shall not paint, mark or identify any vehicle or conveyance to be operated by the Permittee pursuant to this Permit with the words "taxi" or "taxicab" or words of similar meaning or with marking schemes or colors tending to identify such vehicles as taxicabs and the words "taxi" or "taxicab" shall not appear on the exterior of any such vehicle or conveyance. No vehicle utilized by the Permittee in performing services hereunder shall be moved unless and until all persons therein are seated. The Port Authority reserves the right to

"shop" the services of the Permittee to ensure compliance with terms and provisions of this Permit.

- (b) (i) The Permittee agrees that it shall respond within five (5) days to any passenger complaint letters, noting the corrective action taken and/or providing an explanation of the incident satisfactory to the Port Authority.

(ii) The Permittee agrees that its drivers shall be knowledgeable with respect to the area served by the Permittee and/or possess a map and street guide for the purpose of delivering passengers to their requested destinations as expeditiously as possible.

(iii) The Permittee agrees that its drivers shall refrain from smoking, eating or drinking while passengers are in its vehicles unless expressly permitted to do so by such passengers.

#### 10. AIRPORT ROADWAY USE AND SOLICITATION

- (a) The routes, roads and ways within the Airports over which the Permittee may operate its vehicles shall be those from time to time designated by the Port Authority. The Port Authority makes no representations as to the condition of any routes, road or way, and does not agree to keep the same unobstructed or fit for use. No closing by the Port Authority of any route, road or way, whether temporary or permanent, whether or not such closing involves a route, road or way previously used by the Permittee hereunder, and no such closing by any governmental authority, whether of a route, road or way, within or outside the Airports, and whether or not at the request or with the consent of the Port Authority, shall constitute or be deemed a diminution of the privileges granted by this Permit, or shall relieve the Permittee of any of its obligations hereunder. Without limiting or affecting the rights of the Port Authority under applicable law, authorized representatives of the Port Authority, its contractors, lessees or permittees shall have the right to deny access from time to time to any area at the Airport, including terminal frontages. The Permittee acknowledges and agrees that any vehicle operated by or on behalf of the Permittee found in such areas as aforesaid may be towed by authorized representatives of the Port Authority, its contractors, lessees or permittees. The Permittee, its employees, invitees, and others doing business with it, shall pick up and discharge passengers or load and unload baggage and packages in such reasonable time as may be determined by the Port Authority from time to time and only at the point or points within the Airports which may be from time to time designated by the Port Authority.
- (b) The Permittee agrees that no vehicle used by it in the Shared Ride Service which bears a Port Authority Vehicle Sticker as required pursuant to Special Endorsement No. 16 of this Permit or is required to bear such a Vehicle Sticker shall be used by the permittee in the Non-Represented Shared Ride Service.

- (c) The Port Authority makes no representation as to the presence of unauthorized persons in any Airport terminal, or elsewhere, soliciting passengers for ground transportation and the Port Authority shall have no liability to the Permittee with respect thereto.

#### 11. PERMITTEE SCHEDULES OF RATES AND CHARGES

- (a) The Permittee shall make only fair and reasonable charges for services rendered hereunder at or in part at, or in connection with the Airports and in accordance with a schedule of rates and charges, which shall be subject to the prior and continuing consent of the Port Authority. The Permittee shall charge a per head rate for the Shared Ride Service, which rate shall not differ based on the number of persons carried in the Permittee's vehicle at the same time (even if only one person is carried), except children under the age of twelve (12) years may be carried at a lower rate or rates, and those persons generally known as senior citizens may be carried at a lower rate or rates or be given a percentage discount from the regular rates; it being understood furthermore than in situations where at their own requests two or more persons are picked up at one specific location, are traveling together and are delivered to another specific location, then family or group rates may be charged and the Permittee's rates and charges may differ based on the number of persons in said family or group, it being understood furthermore that the foregoing shall not prohibit the charging by the Permittee of round fare rates which may be lower than the regular rates. Upon request of a passenger, a receipt for services rendered hereunder shall be issued at the time such service is rendered which shall indicate at a minimum, the Permittee's name, address, telephone number and amount charged.
- (b) The Port Authority will not withhold its consent to such rates and charges if they shall have been approved or determined by any board, commission or other governmental regulatory body of the United States of America or the State of New York or the State of New Jersey, provided that such regulatory body has jurisdiction and the power of final determination, and provided, further, that the approval or determination is in effect at the time in question. In the absence of any such governmental determination, the Port Authority will not withhold approval of rates and charges substantially equivalent to those made for similar services by persons or organizations rendering similar services elsewhere in any municipality in which the Airports are located. All rates and charges shall be filed with the Port Authority and, on notice from the Port Authority to the Permittee, legible schedules thereof shall be posted in each of the vehicles used by the Permittee, so as to inform all passengers of such rates and charges at all times such vehicles are used in performance of services hereunder. Such schedules shall also be posted, if so requested by the Port Authority, at such location or locations at the Airports as the Port Authority shall from time to time designate. The Permittee agrees that all of its advertising for all of its services to be rendered under this Permit shall conform to and be consistent with this Special Endorsement No. 11 and all other terms and provisions of this Permit. The Permittee shall not make any additional charge for tolls to passengers using the Shared Ride Service. Any gratuities for any service under this Permit shall be payable only in the sole discretion of the passenger.

**12. WHEELCHAIR ACCESSIBLE SERVICE AND VEHICLES**

The Permittee shall have available, 24 hours a day, seven days a week, during the period of permission granted hereunder, a vehicle capable of transporting passengers in wheel chairs. The Permittee's drivers shall assist such passengers on and off said vehicle and shall appropriately secure wheel chairs and their occupants and assist passengers using equipment that is in compliance with the American with disabilities Act of 1990 and amended and superseded.

**13. DEFINITIONS**

- (a) The words "permission" and "privilege" are used interchangeably in this Permit and, except where expressly provided to the contrary, reference to "privilege" shall mean privileges granted by this Permit.
- (b) Whenever the terms "Facility", "Facilities", "Airport" or "Airports" appear in this Permit, they shall be deemed to mean, separately or collectively as the case may be, John F. Kennedy International Airport, Newark International Airport and LaGuardia Airport or any of them.
- (c) Whenever the terms "Manager of the Facility" or "General Manager of the Facility" or "Manager of the Airport" or "General Manager of the Airport" are used herein they shall mean the person or persons from time to time designated by the Port Authority to exercise the powers and functions vested in the General Manager of LaGuardia Airport, the General Manager of John F. Kennedy International Airport and the General Manager of Newark Liberty International Airport.

**14. ACCIDENT REPORTING AND PERMITTEE INSURANCE REQUIREMENTS**

- (a) The Permittee shall promptly report in writing to the Manager of the Facility all accidents whatsoever arising out of or in connection with its operations hereunder and which result in death or injury to persons or damage to property, setting forth such details thereof as the Port Authority may desire.
- (b) In addition to and without limiting the other obligations of the Permittee under this Permit, the Permittee, with respect to each vehicle operated by it, in its own name as insured and including the Port Authority as an additional insured, shall maintain and pay the premiums on the following described policy or policies of insurance in not less than the following limits which shall cover its operations hereunder and shall be effective during the effective period of this Permit:
  - (i) Comprehensive General Liability Insurance covering airport operations and covering bodily injury including wrongful death, and property damage which shall not exclude property damage to any property in the care, custody or control of the Permittee, in the minimum amount of \$2,000,000 combined single limit for each occurrence.

- (ii) Comprehensive Automobile Liability Insurance to include owned, non-owned and hired vehicles, as applicable, listing the Vehicle Identification Number (VIN) for each vehicle, covering bodily injury including wrongful death, and property damage, which shall not exclude property damage to any property in the care, custody or control of the Permittee, in the minimum amount of \$5,000,000 combined single limit for each occurrence.
- (c) The Permittee shall secure as part of each said policy of insurance a contractual liability endorsement covering the obligations of the Permittee, none of the foregoing policies to contain any exclusion for bodily injury to or sickness, disease or death of any employee of the Permittee which would conflict with or in any way impair coverage on the contractual liability endorsement. The insurance required hereunder shall also provide or contain an endorsement providing that the protections afforded the Permittee thereunder with respect to any claim or action by a third person shall pertain and apply with like effect with respect to any claims or actions against the Permittee by the Port Authority, and that said protections shall also pertain and apply with respect to any claim or action against the Port Authority by the Permittee, but such endorsement shall not limit, vary, change or affect the protections afforded the Port Authority thereunder as an additional insured. In addition, all the aforesaid policy or policies of insurance shall also provide or contain an endorsement providing that the protections afforded the Port Authority by the Permittee shall be the same as the protections afforded the Permittee thereunder with respect to any claim or action against the Permittee by the third person as if the Port Authority were the named insured thereunder. Notwithstanding the minimum limits set forth herein, it is specifically understood and agreed that the Port Authority shall have the right upon notice to the Permittee given from time to time and at any time to require the Permittee to increase any or all of the said limits and the Permittee shall promptly comply therewith and shall promptly submit a certificate or certificates evidencing the same to the Port Authority.
- (d) A certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the Port Authority upon execution and delivery of the Permit by the Permittee to the Port Authority. Each policy, certificate or binder delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon. Each such copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed, or modified without giving thirty (30) days written advance notice thereof to the Port Authority. Each such copy or certificate required shall contain the provision that: "The insurer shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority of the provisions of any statutes respecting suits against the Port Authority.

Any renewal policy shall be delivered to the Port Authority at least thirty (30) days prior to the expiration of each expiring policy, except for any policy expiring after the date of expiration of this Permit. The aforesaid insurance shall be written by a company or companies approved by the Port Authority. If at any time any of the insurance policies shall be or become unsatisfactory to the Port Authority as to form or substance or if any of the carriers issuing such policies shall be or become unsatisfactory to the Port Authority, the Permittee shall promptly obtain a new and satisfactory policy in replacement. If the Port Authority at any time so requests, a certified copy of the policies shall be delivered to the Port Authority.

#### 15. PERMITTEE VEHICLE STICKERS

- (a) The Port Authority requires that all vehicles operated by Shared Ride Service permittees display a Port Authority issued numbered vehicle sticker. Vehicle stickers may be obtained from the personnel of the Port Authority's Aviation Department specified by written notice to the Permittee from time to time by the Port Authority hereunder. Vehicle stickers will be assigned to specific vehicles or all vehicles operated by the Permittee pursuant to this Permit. Each vehicle sticker must be permanently affixed to the area of the vehicle specified by the Port Authority. Vehicle stickers shall not be transferred from one vehicle to another except with the written permission of the Port Authority.
- (b) Vehicle stickers shall be effective until the date provided for their expiration as specified in a notice from the Port Authority which expiration date may be extended by an additional notice or notices from time to time from the Port Authority.
- (c) Vehicle stickers may be surrendered by returning the pieces of the vehicle sticker to the Port Authority or providing a written explanation satisfactory to the Port Authority for the failure to return such original vehicle sticker. No requests for replacement vehicle stickers will be honored unless accompanied by the pieces of the prior sticker or a written explanation satisfactory to the Port Authority for the failure to return the original vehicle sticker. Vehicle stickers issued not surrendered in the manner provided for in this Permit prior to the commencement of a calendar month shall be considered to have been issued with respect to the entirety of such calendar month for the purpose of determining the fee due and payable under this Permit.
- (d) Without limiting the right of the Port Authority to require the return of vehicle stickers, or to remove vehicle stickers as provided below or to revoke this Permit, with or without cause, the Port Authority may refuse to issue new vehicle stickers to the Permittee for vehicles for which insurance has expired or for which coverage has lapsed. The Port Authority is not undertaking any obligation under this Permit or otherwise to notify the Permittee when insurance policies submitted by it have expired.
- (e) The Permittee is responsible for removing and returning to the Port Authority vehicle stickers from Independent Contractor Drivers who cease their relationship with the

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Permittee. In this regard, to avoid difficulty in obtaining the return of such vehicle stickers from an Independent Contractor Driver, the Permittee may wish to require a substantial deposit from such an Independent Contractor Driver before furnishing the Independent Contractor Driver with a vehicle sticker.

- (f) Vehicle stickers shall at all times remain the property of the Port Authority and the Port Authority may require the removal and return to it of one or more vehicle stickers at any time. The Permittee's acceptance of a vehicle sticker constitutes consent by the Permittee and the consent of each Independent Contractor Driver to which the Permittee furnishes a sticker to the removal of the vehicle sticker at any time by a Port Authority representative.
- (g) In addition, the Permittee shall furnish to the Port Authority upon the request of the Port Authority therefore at any time and from time to time copies of any document relating to the title, registration, and licensing or safety inspection of any vehicle or driver.

**OTHER PERMITTEE RESPONSIBILITIES**

In connection with the exercise of the privilege granted hereunder, the Permittee shall:

- (i) Use its best efforts in every proper manner to develop and increase the business conducted by it hereunder;
- (ii) Not divert or cause or allow to be diverted, any business from the Airport;
- (iii) Maintain dispatch sheets, which shall be kept at all times within the Port of New York District. Such dispatch sheets will contain at a minimum the following information with respect to each trip made by the Permittee:
  - 1. Date
  - 2. Driver's Name
  - 3. Starting Time
  - 4. Ending Time
  - 5. Origin
  - 6. Destination
  - 7. Number of passengers from each location
  - 8. Dispatcher's Name
  - 9. Vehicle license plate number and Vehicle Identification Number (VIN)
- (iv) Permit in ordinary business hours for three (3) years following each date of operation the examination and audit by the officers, employees and representatives of the Port Authority of the dispatch sheets described in item (iii) above and the dispatch sheets of any company which is owned or controlled by the Permittee, or which owns or controls the Permittee, if said company performs services, similar to those performed by the Permittee, anywhere in the Port of New York District.
- (v) Permit the inspection by the officers, employees and representatives of the Port Authority of any equipment used by the Permittee, including but not limited to

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cash registers and any other devices used by the Permittee to record customer usage and customer fees.

- (vi) Notify the Port Authority immediately of any lost or stolen ground transportation and/or port Authority-issued stickers.

**7. ADVERTISING**

- (a) In addition to the privilege hereunder granted to the Permittee pursuant to the provisions of Special Endorsement No. 1 and subject to all the terms, conditions and endorsements of this Permit, the Port Authority hereby grants to the Permittee the privilege to install advertising material on specific areas of vehicles used to provide Shared-Ride Service as shall be approved in advance in writing by the Port Authority.
- (b) No advertising material or any other material, fixture or equipment utilized in connection therewith, shall be placed, installed or operated by the Permittee on any vehicle used to provide Shared-Ride Service unless the Port Authority has given its prior approval as to the type, size, quality, kind, form, substance and character of the same including the contents thereof and the operation and maintenance thereof and unless any such and the content thereof and the operation and maintenance thereof meet with the continuing approval of the Port Authority. Any such advertising material, including the content thereof and the installation and maintenance thereof, which does not continue to meet with the approval of the Port Authority shall be immediately removed by the Permittee on notice from the Port Authority.
- (c) All arrangements of the Permittee with third parties for the display of informational, promotional or advertising matter installed by the Permittee on any vehicle used to provide Shared-Ride Services shall be represented by written agreements with such third parties. True copies of all executed agreements shall be delivered by the Permittee upon request to the Port Authority. Without limiting the foregoing, the Permittee agrees that each such agreement entered into by it shall contain provisions making such agreement subject to all the provisions of this Permit and specifically stating that no party thereto shall obtain thereunder privileges greater than those granted under this Permit. All monies paid or payable to or received or receivable by the Permittee for or in connection with any informational, promotional, advertising or other material or information displayed, shown exhibited or disseminated by the Permittee, including charges for normal placement, installation, operation and maintenance thereof shall be fully set forth in the Permittee's third-party agreements.
- (d) The Permittee recognizes and understands that it shall not commence any installation or placement work on any designated vehicle used to provide Share-Ride Services unless the Port Authority's final approval of the design and type of advertising material to be installed or placed therein and the method and matter of the installation or placement work to be performed, as referred to in paragraph (a)

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of Special Endorsement No. 1 thereof, has been obtained by the Permittee as provided for therein.

- (e) For the purposes of this Permit, the term "gross receipts" shall include all monies paid or payable to the Permittee for sales made and for services rendered at or from the Facility, regardless of when or where the order therefore is received, and outside the Facility, if the order therefore is received at the Facility, and any other revenues of any type arising out of or in connection with the Permittee's operations at the Facility provided, however, that any taxes imposed by law are separately stated to and paid by the customer and directly payable to the taxing authority by the Permittee, shall be excluded therefrom.
- (f) In addition to the basic fee and any other charge payable hereunder, the Permittee shall pay to the Port Authority a monthly Advertising percentage fee as follows:
  - (i) Twenty-five percent (25%) of all gross receipts arising from the Permittees operations as referenced in Special Endorsement 17 (a) hereunder continuing throughout the remainder of the effective period of the permission granted hereunder.
- (g) The Permittee shall maintain at a location within the Port of New York district and in accordance with generally accepted accounting practice throughout the effective period of the permission granted hereunder, records and books of account recording all transactions at, through or in any way connected with Permittee's operations hereunder. Commencing on the twentieth (20<sup>th</sup>) day of the month following the month when such advertising is billed by the Permittee hereunder, the Permittee shall furnish on or before the twentieth (20<sup>th</sup>) day of each calendar month during the effective period of the permission granted hereunder a detailed statement of such gross receipts during the preceding calendar month which shall include a list of all vehicles used to provide the Shared-Ride Service operated by the Permittee during such period.
- (h) The Permittee shall pay the monthly percentage fee set forth above in paragraphs (f) (i) of this Special Endorsement as follows: on the twentieth (20<sup>th</sup>) day following the month when such advertising is billed by the Permittee, and on the twentieth (20<sup>th</sup>) day of each and every month thereafter occurring throughout the effective period of the permission granted hereunder, including the month following the end of the Expiration Date, as defined hereinbelow, the Permittee shall render to the Port Authority a sworn statement showing the gross receipts arising from the Permittee's operations hereunder during the preceding calendar month, and the Permittee shall pay at the time of rendering the statement an amount equal to the applicable percentages set forth in paragraphs (f) (i) of this Special Endorsement applied to such gross receipts.
- (i) Payments made hereunder shall be sent to the following address:

1. The Port Authority of New York and New Jersey,  
P. O. Box 95000-1517  
Philadelphia, PA 19195-1517

or via the following wire transfer instructions:

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

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

- (j) The Port Authority shall have the right to terminate the privilege set forth in subparagraph (a) this paragraph, without cause upon twenty-four (24) hours' notice to the Permittee. The Port Authority shall also have the right to re-institute the privilege upon twenty-four (24) hours notice to the Permittee, subject to the terms and conditions hereinabove set forth.

#### **18. PROVISION OF GROUND TRANSPORTATION SERVICE INFORMATION BY THE PERMITTEE**

The Permittee agrees that it will cooperate fully with the Port Authority and its contractors to ensure Counter Personnel and passengers have accurate information with respect to the destinations served by the Permittee, including its schedules, fares and all other information applicable to the services provided. Such cooperation shall include, but not be limited to, providing the Port Authority with brochures and related materials for distribution to passengers, employing a sufficient number of trained telephone operators to accept reservations and information requests, and employing computers or other technology as specified by the Port Authority for the purpose of automating and or expediting the processing of passenger reservations. Unless otherwise agreed to by the Port Authority, all costs for the above shall be the responsibility of the Permittee.

#### **19. PORT AUTHORITY AIRPORT STANDARDS**

The Permittee shall meet or surpass the customer service standards that apply to Permittee Services which appear in the Ground Transportation section of the latest edition of the Airport Standards Manual (CD-ROM), attached hereto and hereby made a part hereof, as the same may be revised or amended by the Port Authority.

#### **20. FINAL AUTHORITY**

The Request For Proposals (the "RFP") and the response thereto of the Permittee (the "Response") are annexed hereto and hereby made part hereof. In the event of any inconsistency

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between either the RFP or the Response and this Permit, the provisions of this Permit shall control.